



**First National
Wealth Management**
Located at The First National Bank in Sioux Falls®

Retirement Plans Division

2020 Qualified Retirement Plan Limitations

IRS Limits on Benefits and Compensation – Effective January 1, 2020

Description	2020	2019	2018
Maximum compensation taken into account for plan purposes	\$285,000	\$280,000	\$275,000
Maximum annual additions (excluding “catch-up” contributions for those age 50 or older) to a participant’s account in a defined contribution plan – lesser of 100% of compensation or	\$57,000	\$56,000	\$55,000
Maximum calendar year elective deferral – 402(g)	\$19,500	\$19,000	\$18,500
Maximum additional “catch-up” deferral for those age 50 or older	\$6,500	\$6,000	\$6,000
Key employee - officer with annual compensation	\$185,000	\$180,000	\$175,000
Maximum annual benefit payable through a defined benefit plan	\$230,000	\$225,000	\$220,000
An employee is a Highly Compensated Employee (HCE) if in the “top-paid 20%” (optional) of all employees and receives annual compensation (in the prior plan year or calendar year) of more than	\$130,000 for 2021	\$125,000 for 2020	\$120,000 for 2019
Social Security Taxable Wage Base	\$137,700	\$132,900	\$128,400*

* The Social Security Administration initially announced the 2018 Taxable Wage Base as \$128,700 in October 2017, then revised the amount to \$128,400 on November 27, 2017.

