

2021 Cost of Living Adjustments

Employer-Sponsored Retirement Plans

401(k), 403(b), 457, TSP, or similar accounts	2021	2020
Employee Elective Deferrals Maximum amount a participant can contribute to this type of account	\$19,500	\$19,500
Employee Elective Catch-Up Contributions Additional amount a participant age 50 and above can contribute to this type of account	\$6,500	\$6,500
Annual Defined Contributions Maximum combined amount a participant and employer can contribute to this type of account	\$58,000	\$57,000

SIMPLE accounts	2021	2020
SIMPLE Deferrals Maximum amount a participant can contribute to a SIMPLE account	\$13,500	\$13,500
SIMPLE Catch-up Contributions Additional amount a participant age 50 and above can contribute to a SIMPLE account	\$3,000	\$3,000

Nondiscrimination Testing Limits	2021	2020
Annual Compensation Maximum amount of income used for employer safe harbor or matching contribution calculations	\$290,000	\$285,000
Key Employee Compensation Income threshold that defines "key employees" as required for nondiscrimination testing for qualified retirement plans	\$185,000	\$185,000
HCE Compensation Income threshold that defines highly-compensated employees as required for nondiscrimination testing for qualified retirement plans	\$130,000	\$130,000

Individual Retirement Plans

Traditional & Roth IRAs	2021	2020
Traditional/Roth IRA Contributions Maximum amount someone can contribute to a Traditional IRA or Roth IRA account	\$6,000	\$6,000
Traditional/Roth IRA Catch-Up Contributions Additional amount someone age 50 and above can contribute to a Traditional IRA or Roth IRA account	\$1,000	\$1,000



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Non-Retirement Savings Accounts

	2021	2020
FSA Contributions Maximum amount an individual can add to a tax-free Flexible Spending Account to be used within the year for qualified health care expenses	\$2,750	\$2,750
HSA Contributions - Individual Maximum amount an individual covered by a High Deductible Health Plan (HDHP) can add to a tax-free Health Savings Account to be used for qualified health care expenses any time in the future	\$3,600	\$3,550
HSA Contributions - Family Maximum amount a family covered by a High Deductible Health Plan (HDHP) can add to a tax-free Health Savings Account to be used for qualified health care expenses any time in the future	\$7,200	\$7,100
HSA Catch-Up Contributions Additional amount someone age 55 and above can contribute to a Health Savings Account	\$1,000	\$1,000
Dependent Care Account Contributions - Single or Married Filing Jointly/Married Filing Separately Maximum amount an individual or married couple can add to a tax-free Dependent Care Account	\$5,000/\$2,500	\$5,000/\$2,500

High Deductible Health Plan Definition

	2021	2020
HDHP Minimum Annual Deductible - Individual/Family Minimum deductible required to be considered a High Deductible Health Plan	\$1,400/\$2,800	\$1,400/\$2,800
HDHP Out of Pocket Maximum - Individual/Family Maximum out of pocket amount to be considered a High Deductible Health Plan	\$7,000/\$14,000	\$6,900/\$13,800

Payroll Taxes

	2021	2020
Social Security Wage Base Maximum amount of earned income employees must pay Social Security taxes on	\$142,800	\$137,700
Social Security Tax Rate - Employee/Employer Rate at which an employee & employer each pays Social Security tax on income up to the Social Security wage base	6.2%/6.2%	6.2%/6.2%
Medicare Tax Rate - Employee/Employer Rate at which an employee & employer each pays Medicare tax on wage income	1.45%/1.45%	1.45%/1.45%
FUTA Tax Rate/Taxable Wage Base Rate at which an employer pays Federal Unemployment Tax on income up to the Taxable Wage Base	6.0%/7,000	6.0%/7,000



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