

IRS Retirement Plan Limits

| | 2021 | 2020 |
|--|-------------|-------------|
| Annual Compensation Limit: | \$290,000 | \$285,000 |
| 401(k) Deferrals 402(g) Limit: Tax Year Limit | \$19,500 | \$19,500 |
| Age 50 Catch-up Contributions: Tax Year Limit | \$6,500 | \$6,500 |
| Highly Compensated Employee*: (look-back year) | \$130,000 | \$130,000 |
| Key Employee: | | |
| Officer: | \$185,000 | \$185,000 |
| 1% Owner: | \$150,000 | \$150,000 |
| Defined Contribution Plan Limit: Lesser of 100% of Pay or the limit indicated | \$58,000 | \$57,000 |
| Defined Benefit Plan Limit: | \$230,000 | \$230,000 |
| Maximum Monthly Defined Benefit: | \$19,166.67 | \$19,166.67 |
| Social Security Wage Base: | \$142,800 | \$137,700 |

*The impact of the Highly Compensated Employee look-back year: For the 2020 plan year, any employee earning more than \$125,000 in 2019 will be considered highly compensated. For the 2021 plan year, any employee earning more than \$130,000 in 2020 will be considered highly compensated.

Year End Reminder

All 401(k) deferrals for the plan year should be consistent with a written deferral agreement and deposited to the trust account no later than the last payroll date of the year. Remember, unless specifically requested by the participant, a Plan must include deferrals on bonuses paid and always transfer deferrals to the designated investment trust arrangement within 7 days of withholding.

2020 Matching Calculations

Please be sure to limit your matching contribution calculation, both discretionary and safe harbor, for each deferring Participant to the Annual Compensation Limit.

For example, a matching formula of 100% of the first 4% of Plan Compensation deferred will have a maximum match of \$11,400 (4% of \$285,000).