

IRS Announces 2020 Qualified Retirement Plan Limits

November 13, 2019

The IRS recently announced the inflation-adjusted limits for 2020 for tax qualified retirement plans. Below is a list of some of the key annual limits that will apply in 2020:

• Compensation limit used in calculating a participant's benefit accruals: increased to \$285,000.

• Elective deferrals to 401(k) and 403(b) plans: increased to \$19,500.

• Annual additions to a defined contribution plan: increased to \$57,000.

• Catch-up contributions for employees aged 50 and over to 401(k) and 403(b) plans: increased to \$6,500.

• Annual benefit limit for a defined benefit plan: increased to \$230,000.

• Compensation dollar limit for defining a "key employee" in a top heavy plan: increased to \$185,000.

• Compensation dollar limit for defining a "highly compensated employee": increased to \$130,000.

The complete list of 2020 plan limits is available in Notice 2019-59 [here](#).