

Annual Limits on Qualified Plans for 2021

Alert

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By Nick Bertron

On October 26, 2020, the Internal Revenue Service (IRS) released [Notice 2020-79](#), which sets forth the 2021 cost-of-living adjustments affecting dollar limits on benefits and contributions for qualified retirement plans. The IRS also announced the dollar limitation for employee salary reductions for contributions to health flexible spending arrangements in [Revenue Procedure 2020-45](#). The health savings account (HSA) and high deductible health plan (HDHP) annual deductible and out-of-pocket expense adjustments were announced earlier this year in [Revenue Procedure 2020-32](#). The Social Security Administration [announced](#) its cost-of-living adjustments for 2021 on October 13, 2020, which includes a change to the taxable wage base.

The following chart summarizes the 2021 limits for benefit plans. The 2020 limits are provided for reference.

For more information on the 2021 cost-of-living adjustments, please contact [Nick Bertron](#), [Sam Butler](#), Jeff Cairns, [Elizabeth Delagardelle](#), [Tom Dowling](#), [Audrey Fenske](#), Todd Martin, [Phil McKnight](#), [Lisa Rippey](#), [Mark Wilkins](#) or the Stinson LLP contact with whom you regularly work.

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