

### IRS Announces 2020 Retirement Plan Limits

The Internal Revenue Service (IRS) has announced cost-of-living adjustments for 2020, which affect dollar limitations for retirement plans and other retirement-related items.

The 2020 limits are highlighted below:

- **401(k), 403(b) and most 457 Plans Deferral Limit** – Increase from \$19,000 to \$19,500
- **Catch-up Deferral Limit** – Increase from \$6,000 to \$6,500
- **Defined Contribution Plan Maximum Annual Additions** – Increase from \$56,000 to \$57,000
- **Defined Benefit Plan Maximum Annual Benefit** – Increase from \$225,000 to \$230,000
- **Annual Compensation Limit** – Increase from \$280,000 to \$285,000
- **Key Employee Limit** – Increase from \$180,000 to \$185,000
- **Social Security Wage Base** – Increase from \$132,900 to \$137,700
- **Income limit for the Saver's Credit (also known as the Retirement Savings Contributions Credit) for low- and moderate-income workers** – Increase from \$64,000 to \$65,000 for married couples filing jointly; increase from \$48,000 to \$48,750 for heads of household; and increases in \$32,000 to \$32,500 for singles and married individuals filing separately

Please reach out to a Bolton Investment Consultant for more information.