



Law & Policy Group

Quick benefit facts

2020 retirement plan limits

	2020	2019	2018
Qualified retirement plan limits			
401(k) & 403(b) elective deferrals	\$19,500	\$19,000	\$18,500
Catch-up contributions	\$6,500	\$6,000	\$6,000
Compensation limit	\$285,000	\$280,000	\$275,000
415 defined contribution annual limit	\$57,000	\$56,000	\$55,000
415 defined benefit maximum annuity	\$230,000	\$225,000	\$220,000
Highly compensated threshold	\$130,000	\$125,000	\$120,000
Traditional IRA limits			
IRA maximum deductible amount	\$6,000	\$6,000	\$5,500
IRA catch-up contribution limit	\$1,000	\$1,000	\$1,000
PBGC premiums for single-employer plans			
Flat rate per participant	\$83	\$80	\$74
Variable rate per \$1,000 of unfunded vested benefits	\$45	\$43	\$38
Per-participant variable-rate cap	\$561	\$541	\$523
Social Security			
Taxable wage base	\$137,700	\$132,900	\$128,400
Cost-of-living adjustment	1.6%	2.8%	2.0%

Retirement plan limits

After applying statutory rounding rules, the limits will rise modestly in 2020.

IRA limits

After statutory rounding, the 2020 IRA maximum deductible contribution limit will stay at the 2019 level. The IRA catch-up contribution limit is not adjusted for cost-of-living changes.

PBGC premiums

The 2020 single-employer flat-rate premium, variable premium rate and per-participant variable-rate premium cap equal the 2019 amounts adjusted for one year's wage inflation.

See reverse side for 2020 health and fringe benefit limits.

welcome to brighter

2020 health & fringe benefit limits

	2020	2019	2018
Tax-free qualified transportation fringe benefits			
Monthly qualified parking, transit passes or commuter highway vehicle	\$270	\$265	\$260
Health FSA limit			
Maximum salary reduction contribution	\$2,750	\$2,700	\$2,650
HSA and HDHP limits			
Self-only coverage			
Maximum tax-deductible HSA contribution	\$3,550	\$3,500	\$3,450
HDHP minimum annual deductible	\$1,400	\$1,350	\$1,350
HDHP out-of-pocket maximum	\$6,900	\$6,750	\$6,650
Family coverage			
Maximum tax-deductible HSA contribution	\$7,100	\$7,000	\$6,900
HDHP minimum annual deductible	\$2,800	\$2,700	\$2,700
HDHP out-of-pocket maximum	\$13,800	\$13,500	\$13,300
HSA catch-up contribution limit	\$1,000	\$1,000	\$1,000
ACA nongrandfathered group health plan out-of-pocket maximum			
Self-only coverage	\$8,150	\$7,900	\$7,350
Family coverage			
Total out-of-pocket maximum	\$16,300	\$15,800	\$14,700
Embedded individual out-of-pocket maximum (if applicable)	\$8,150	\$7,900	\$7,350
ACA play-or-pay assessments			
Not offering coverage	\$2,570	\$2,500	\$2,320
Offering coverage lacking minimum value or affordability	\$3,860	\$3,750	\$3,480
ACA play-or-pay federal-poverty-line affordability safe harbor amount per month (48 contiguous states & Washington, DC)			
Calendar-year plans	\$101.79	\$99.75	\$96.08
Noncalendar-year plans	\$103.99	\$102.63	\$96.72
ACA employer-provided coverage affordability percentages			
Maximum % of income for least expensive self-only coverage with minimum value	9.78%	9.86%	9.56%

HSA and HDHP limits

All 2020 HDHP and HSA minimums and maximums are higher than 2019 levels. The HSA catch-up limit does not get adjusted annually.

ACA play-or-pay assessments

Under the Affordable Care Act (ACA), employers that don't offer most full-time employees some form of health coverage face paying one of two IRS assessments. The table shows annual assessment amounts, but the assessment is incurred and calculated monthly.

Federal-poverty-line (FPL) amounts

Adjusted amounts for the ACA's play-or-pay FPL safe harbor apply on a plan-year, not calendar-year, basis. Noncalendar-year plans use the 2019 level of \$102.63 per month to determine FPL affordability until their 2020 plan years start.

ACA affordable employer coverage

For an individual to receive premium tax credits or cost-sharing reductions for public exchange coverage, the employer's lowest-cost, self-only coverage with minimum value must exceed 9.5% (annually indexed) of household income. IRS applies the same indexing to the three available safe harbor options (W-2, rate of pay, or FPL) to determine whether employer coverage is affordable for employees.

See reverse side for 2020 retirement benefit limits.