



Law & Policy Group

# Quick benefit facts

## 2020 retirement plan limits

	2020	2019	2018
<b>Qualified retirement plan limits</b>			
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
<b>Traditional IRA limits</b>			
IRA maximum deductible amount	\$6,000	\$6,000	\$5,500
IRA catch-up contribution limit	\$1,000	\$1,000	\$1,000
<b>PBGC premiums for single-employer plans</b>			
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
<b>Social Security</b>			
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.*

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## 2020 health & fringe benefit limits

	2020	2019	2018
<b>Tax-free qualified transportation fringe benefits</b>			
Monthly qualified parking, transit passes or commuter highway vehicle	\$270	\$265	\$260
<b>Health FSA limit</b>			
Maximum salary reduction contribution	\$2,750	\$2,700	\$2,650
<b>HSA and HDHP limits</b>			
<b>Self-only coverage</b>			
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
<b>Family coverage</b>			
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
<b>ACA nongrandfathered group health plan out-of-pocket maximum</b>			
Self-only coverage	\$8,150	\$7,900	\$7,350
<b>Family coverage</b>			
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
<b>ACA play-or-pay assessments</b>			
Not offering coverage	\$2,570	\$2,500	\$2,320
Offering coverage lacking minimum value or affordability	\$3,860	\$3,750	\$3,480
<b>ACA play-or-pay federal-poverty-line affordability safe harbor amount per month (48 contiguous states &amp; Washington, DC)</b>			
Calendar-year plans	\$101.79	\$99.75	\$96.08
Noncalendar-year plans	\$103.99	\$102.63	\$96.72
<b>ACA employer-provided coverage affordability percentages</b>			
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.