



IRS Announces 2020 Cost-of-Living Adjustments For Retirement Plans and for Health and Welfare Benefit Plans

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The IRS has announced the 2020 cost-of-living adjustments for retirement plan and health and welfare benefit plan limitations. The charts below set forth the applicable limitations.

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PRACTICE AREAS

Employee Benefits

Health Care

Retirement Plans

Almost all of the limitations that apply to retirement plans have increased for 2020. Below is a review of the key changes: Retirement Plan Limitation 2019 Limit 2020 Limit 401(k) and 403(b) Employee Contribution Limit \$19,000 \$19,500

"Catch-Up Contribution" Limit
(age 50 and older)

\$6,000

\$6,500

Defined Contribution Maximum Contribution \$56,000
(plus "Catch-Up") \$57,000
(plus "Catch-Up") Defined Benefit Annual Benefit Limit \$225,000
\$230,000 Highly Compensated Employee Compensation \$125,000
\$130,000 Top-Heavy Key Employee Officer Dollar Limit \$180,000
\$185,000 Annual Compensation Limit \$280,000 \$285,000 457 Plan
Contribution Limit \$19,000 \$19,500 Social Security Taxable Wage
Base \$132,900 \$137,700

Health and Welfare Benefit Plans

Certain limitations that apply to health and welfare benefit plans remain unchanged, including the catch-up limit for Health Savings Account contributions and to a dependent care assistance plan (DCAP). However, many other limitations have changed, as noted in the following chart: Health and Welfare Benefit Plan Limitation 2019 Limit 2020 Limit Health FSA Contribution Limit \$2,700 \$2,750



Health Savings Account (HAS) Contribution Limits:

- Family
- Single
- Catch-Up Limit
(age 55 and older)

\$7,000
\$3,500
\$1,000

\$7,100
\$3,550
\$1,000

HSA Annual Deduction Minimums:

- Family
- Single

\$2,700
\$1,350

\$2,800
\$1,400

HSA Out-of-Pocket Minimums:

- Family
- Single

\$13,500
\$6,750

\$13,800
\$6,900 DCAP Limit \$5,000/\$2,500
(if married, filing separately) \$5,000/\$2,500
(if married, filing separately)

Qualified Transportation Fringe Benefit Monthly Limits:

- Qualified Parking
- Transit Pass/Vanpooling

\$265
\$265



\$270

\$270

If you have question related to these limits or how they affect the administration of your plan, please contact a Foster Swift employee benefits attorney.