



2020 COST OF LIVING ADJUSTMENTS FOR RETIREMENT ITEMS

The Social Security Administration announced its 2020 Cost-of-Living Adjustment (COLA) as 1.6%.¹ In addition to impacting Social Security beneficiaries, retirement contributions and pension plan benefits are required by law to be adjusted annually for COLA increases.

The chart below details new annual limits and contribution amounts.

	2020	2019
IRAs		
IRA Contribution Limit	6,000	6,000
IRA Catch-Up Contributions	1,000	1,000
IRA AGI DEDUCTION PHASE-OUT STARTING AT		
Joint Return	104,000	103,000
Single or Head of Household	65,000	64,000
SEP		
SEP Minimum Compensation	600	600
SEP Maximum Contribution	57,000	56,000
SEP Maximum Compensation	285,000	280,000
SIMPLE PLANS		
SIMPLE Maximum Contributions	13,500	13,000
Catch-up Contributions	3,000	3,000

¹ Social Security Administration, "Cost-of-Living Adjustment (COLA) Information for 2020." Accessed November 14, 2019. <https://www.ssa.gov/cola/>.

	2020	2019
401(K), 403(B), PROFIT-SHARING PLANS, ETC.		
Annual Compensation	285,000	280,000
Elective Deferrals	19,500	19,000
Catch-up Contributions	6,500	6,000
Defined Contribution Limits	57,000	56,000
ESOP Limits	1,150,000	1,130,000
	230,000	225,000
OTHERS		
HCE Threshold	130,000	125,000
Defined Benefits Limits	230,000	225,000
Key Employee	185,000	180,000
457 Elective Deferrals	19,500	19,000
Control Employee (board member or officer)	115,000	110,000
Control Employee (compensation-based)	230,000	225,000
Taxable Wage Base	137,700	132,900

Source: IRS, "COLA Increases for Dollar Limitations on Benefits and Contributions." Page last reviewed or updated: 07-Nov-2019. <https://www.irs.gov/retirement-plans/cola-increases-for-dollar-limitations-on-benefits-and-contributions>.

HighTower Securities, LLC, member FINRA and SIPC & HighTower Advisors, LLC a registered investment advisor with the SEC. All securities are offered through HighTower Securities, LLC and advisory services are offered through HighTower Advisors, LLC.



HIGHTOWER
WESTCHESTER

440 MAMARONECK AVENUE, SUITE 506
HARRISON, NY 10528
(914) 825-8630
HIGHTOWERADVISORS.COM/WESTCHESTER