

COMPLIANCE ALERT

FEDERAL BENEFIT PLAN LIMITS FOR 2020

December 1, 2019

Federal law sets annual limits on various tax-preferred employee benefit plans. The following chart compares the 2020 and 2019 limits for the most common types of plans and benefits.

BENEFIT	2020 LIMITS		2019 LIMITS	
Taxable Wage Base				
▪ Social Security OASDI	\$137,700		\$132,900	
▪ Medicare (Part A, hospitalization)	Unlimited		Unlimited	
Health Flexible Spending Accounts (Health FSA)				
▪ Health FSA Maximum Contribution (per plan year)	\$2,750		\$2,700	
Health Savings Accounts (HSA)	Self-Only	Family	Self-Only	Family
▪ HSA Maximum Contribution	\$3,550	\$7,100	\$3,500	\$7,000
▪ HSA Maximum "Catch-Up" Contribution (individuals age 55 or older)	\$1,000	\$1,000	\$1,000	\$1,000
▪ High-Deductible Health Plan (HDHP) Minimum Deductible	\$1,400	\$2,800	\$1,350	\$2,700
▪ HDHP Maximum Out-of-Pocket	\$6,950*	\$13,800	\$6,750	\$13,500
Qualified Transportation Benefits				
▪ Parking	\$270/month		\$265/month	
▪ Transit Pass/Commuter Vehicle	\$270/month		\$265/month	
Retirement/Savings				
▪ Maximum Salary Deferral (\$401(k)/\$403(b)/\$457)	\$19,500		\$19,000	
▪ Maximum "Catch-Up" Salary Deferral (age 50 or older)	\$6,500		\$6,000	
▪ Compensation Limit (\$401(a))	\$285,000		\$280,000	
▪ Maximum Defined Benefit Limit	\$230,000		\$225,000	
▪ Defined Contribution Annual Additions Limit (\$415)	\$57,000		\$56,000	
○ If age 50 or older	\$63,500		\$62,000	
▪ "Key Employee" Compensation Limit	\$185,000		\$180,000	
▪ "Highly Compensated Employee" Limit	\$130,000		\$125,000	

*A non-grandfathered "family" HDHP also must limit each individual's out-of-pocket costs for essential health benefits to no more than \$6,950.