

## 2020 Cost of Living Adjustments

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Employee Benefits

November 7, 2019

*Employee Benefits Advisory*

The Internal Revenue Service has announced the 2020 cost of living adjustments to various limits. The adjusted amounts generally apply for plan years beginning in 2020. Some of the adjusted amounts, however, apply to calendar year 2020.

**Employee Benefit Plans**

Plan Year	2020	2019
401(k), 403(b), 457 deferral limit	\$19,500	\$19,000
Catch-up contribution limit (age 50 or older by end of year)	\$6,500	\$6,000
Annual compensation limit	\$285,000	\$280,000
Annual benefits payable under defined benefit plans	\$230,000	\$225,000
Annual allocations to accounts in defined contribution plans	\$57,000 (but not more than 100% of compensation)	\$56,000 (but not more than 100% of compensation)
Highly compensated employee	Compensation more than \$130,000 in 2019 plan year	Compensation more than \$125,000 in 2018 plan year

**Health Savings Accounts**

Calendar Year	2020	2019
Maximum contribution		
• Family	\$7,100	\$7,000
• Self	\$3,550	\$3,500
Catch-up contribution (participants who are 55 by end of year)	\$1,000	\$1,000
Minimum deductible		
• Family	\$2,800	\$2,700
• Self	\$1,400	\$1,350
Maximum out-of-pocket		
• Family	\$13,800	\$13,500
• Self	\$6,900	\$6,750

**Social Security**

<b>Plan Year</b>	<b>2020</b>	<b>2019</b>
Taxable wage base	\$137,700	\$132,900
Maximum earnings without loss of benefits		
• Under full retirement age	\$1,520/mo. (\$18,240/yr.)	\$1,470/mo. (\$17,640/yr.)
• Year you reach full retirement age	\$4,050/mo. up to month of full retirement age (\$48,600/yr.)	\$3,910/mo. up to month of full retirement age (\$46,920/yr.)

**Social Security Retirement Age**

<b>Year of Birth</b>	<b>Retirement Age</b>
Prior to 1938	Age 65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943 - 1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67