2020 Qualified Plan Contribution/Benefit Limitations

Type of Plan	Maximum Deductible 2020 Contributions/Benefits*
Money Purchase Pension Plan	Annual additions cannot exceed the lesser of 100% of the participant's compensation or \$57,000.
Profit-Sharing Plan	Annual additions to individual plan participants cannot exceed the lesser of 100% of the participant's compensation or \$57,000.
401(k) Plan	Employer contributions: Up to 15% of covered payroll. Elective employee deferrals: \$19,500 (\$26,000 if age 50 or older) Allocation limits: Total of employer contributions and elective employee deferrals cannot exceed the lesser of 100% of a participant's compensation or \$57,000.
Simplified Employee Pension (SEP) Plan	Annual additions cannot exceed the lesser of 25% of the participant's compensation or \$57,000.
SIMPLE Plan (401(k) or IRA)	Maximum annual salary reduction deferral: \$13,500 (\$16,500 if age 50 or older)
Salary Reduction SEP (established before 1997)	Maximum annual elective deferral: \$19,500 (\$26,000 if age 50 or older)
Target Benefit Pension Plan	Annual additions cannot exceed the lesser of 100% of the participant's compensation or \$57,000.
Defined Benefit Pension Plan	Benefit provided cannot exceed the lesser of 100% of the average of the participant's highest three consecutive years of compensation or \$230,000.
Tax-Sheltered Annuity	Maximum annual salary reduction: \$19,500 (\$26,000 if age 50 or older)
Section 457 Plan	Maximum annual deferral: \$19,500 (\$26,000 if age 50 or older)

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