



Client Information Release

October 26, 2020

Maximum Allowable Contribution (MAC) Limits for 2021

TSA Consulting Group (TSACG) is committed to providing our clients with the most current 403(b), 457(b), and 401(k) Plan information as it is released by the IRS. The latest IRS information concerning MAC limits indicates that the normal limit remains unchanged for calendar year 2021.

MAC Limits for 2021

- The normal calendar year limit for 403(b), 457(b) and 401(k) plans will remain unchanged at \$19,500 for 2021.
- The age-based additional amount (age 50 by 12/31/2021) remains unchanged at \$6,500 for 2021.
- Any other catch-up options that may be applicable to your Plan(s) remain unchanged.

Examples

All employees, regardless of age or years of service, may contribute up to \$19,500 to their 403(b), 457(b) or 401(k) account in 2021. (The limit is coordinated for 403(b) and 401(k) accounts. 457(b) accounts are not coordinated with other plans.)

Employees who will attain age 50 by 12/31/2021 may contribute an additional \$6,500 to 403(b), 457(b) and/or 401(k) accounts in 2021. (This limit is coordinated for 403(b) and 401(k) accounts.)

IRC §415 Limit

The overall employee and employer contribution limit for 401(a), 401(k) and 403(b) plans increases by \$1,000 to a total of \$58,000 effective January 1, 2021. This overall defined contribution limit is of special importance to those plan sponsors with Special Pay Plans that are designed to accommodate accumulated leave payments.

Questions regarding this information should be directed to your program consultant.

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