

Many Employee Contribution Limits Remain Unchanged

The IRS has announced the cost-of-living adjustments for 2021 that affect amounts employees can contribute to 401(k) plans and IRAs. The following amounts **remain unchanged** for 2021:

- The employee contribution limit for 401(k) plans will remain **\$19,500**. The catch-up contribution limit for employees aged 50 and over also remains unchanged at \$6,500.
- The employee contribution limit for IRAs will remain **\$6,000**. The catch-up contribution limit for employees aged 50 and over also remains unchanged, at \$1,000.
- The employee contribution limit for SIMPLE IRAs and SIMPLE 401(k) plans will remain **\$13,500**.

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