

# Retirement Planning Key Numbers

Here are some key numbers associated with retirement and estate planning, as well as the federal gift tax and estate tax rate schedules for 2021 and 2022.

<b>Elective deferral limits</b>	<b>2021</b>	<b>2022</b>
401(k) plans, 403(b) plans, 457(b) plans,	Lesser of \$19,500 or 100% of participant's compensation (\$26,000 if age 50 or older) <sup>2</sup>	Lesser of \$20,500 \$27,000 if age 50 or older
SIMPLE 401(k) plans and SIMPLE IRA plans <sup>1</sup>	Lesser of \$13,500 or 100% of participant's compensation (\$16,500 if age 50 or older)	Lesser of \$14,000 \$17,000 if age 50 or older
<b>IRA contribution limits</b>	<b>2021</b>	<b>2022</b>
Traditional and Roth IRAs	Lesser of \$6,000 or 100% of earned income (\$7,000 if age 50 or older)	No Change
<b>Defined benefit plan annual benefit limits</b>	<b>2021</b>	<b>2022</b>
Annual benefit limit per participant	Lesser of \$230,000 or 100% of average compensation for highest three consecutive years	Lesser of \$245,000
<b>Defined contribution plan limits (qualified plans, 403(b) plans, and SEP plans)</b>	<b>2021</b>	<b>2022</b>
Annual addition limit per participant (employer contributions; employee pre-tax, after-tax, and Roth contributions; and forfeitures)	Lesser of \$58,000 or 100% (25% for SEP) of participant's compensation	Lesser of \$61,000
<b>Retirement plan compensation limits</b>	<b>2021</b>	<b>2022</b>
Maximum compensation per participant that can be used to calculate tax-deductible employer contribution (qualified plans/SEPs)	\$290,000	\$305,000
Compensation threshold used to determine a highly compensated employee	\$130,000 (when 2021 is the look-back year)	\$135,000 (when 2022 is the look-back year)
Compensation threshold used to determine a key employee in a top-heavy plan	\$1 for more-than-5% owners \$185,000 for officers \$150,000 for more-than-1% owners	\$200,000 for officers
Compensation threshold used to determine a qualifying employee under a SIMPLE plan	\$5,000	No Change
Compensation threshold used to determine a qualifying employee under a SEP plan	\$650	No Change

<b>Income phaseout range for determining deductibility of traditional IRA contributions for taxpayers:</b>	<b>2021</b>	<b>2022</b>
1. Covered by an employer-sponsored plan and filing as:		
Single/Head of household	\$66,000 - \$76,000	\$68,000 - \$78,000
Married filing jointly	\$105,000 - \$125,000	\$109,000 - \$129,000
Married filing separately	\$0 - \$10,000	No Change
2. Not covered by an employer- sponsored retirement plan, but filing joint return with a spouse who is covered by a plan	\$198,000 - \$208,000	\$204,000 - \$214,000
<b>Income phaseout range for determining ability to fund a Roth IRA for taxpayers filing as:</b>	<b>2021</b>	<b>2022</b>
Single/Head of household	\$125,000 - \$140,000	\$129,000 - \$144,000
Married filing jointly	\$198,000 - \$208,000	\$204,000 - \$214,000
Married filing separately	\$0 - \$10,000	No Change

# Estate Planning Key Numbers

	<b>2021</b>	<b>2022</b>
Annual gift tax exclusion:	\$15,000	\$16,000
Gift tax and estate tax applicable exclusion amount:	\$11,700,000 <sup>1</sup> + DSUEA <sup>2</sup>	\$12,060,000 <sup>1</sup> + DSUEA <sup>2</sup>
Noncitizen spouse annual gift tax exclusion:	\$159,000	\$164,000
Generation-skipping transfer (GST) tax exemption:	\$11,700,000 <sup>3</sup>	\$12,060,000 <sup>3</sup>
GST tax rate	40%	No change
Special use valuation limit (qualified real property in decedent's gross estate):	\$1,190,000	\$1,230,000