



2021 Retirement Plan and Social Security Limits Overview

To help you stay informed of changes to retirement plan and Social Security limits, use this quick-reference sheet. Note: This sheet applies only to federal tax laws for the tax year 2021 and not to state tax laws. Information is current as of January 1, 2021.

For more information, contact:

Retirement Strategies Group

(800) 722-2333, ext. 3939

In New York, (800) 748-6907, ext. 3939

E-mail: RSG@PacificLife.com

Pacific Life, its affiliates, their distributors, and respective representatives do not provide tax, accounting, or legal advice. Any taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor or attorney.

Pacific Life refers to Pacific Life Insurance Company (Newport Beach, CA) and its affiliates, including Pacific Life & Annuity Company. Insurance products are issued by Pacific Life Insurance Company in all states except New York and in New York by Pacific Life & Annuity Company. Product availability and features may vary by state. Each company is solely responsible for the financial obligations accruing under the products it issues.

**No bank guarantee • Not a deposit • May lose value
Not FDIC/NCUA insured
Not insured by any federal government agency**

Employee Benefits and IRAs

Defined Benefit Plans Limit (Q 3867)	\$230,000, or 100% of pay from highest 3 years of service
Defined Contribution Plans Limit (Q 3867)	\$58,000 or 100% of pay
Elective Deferral Limit for 401(k), 403(b), SAR-SEPs, & 457(b) Plans (Qs 3705, 3760)	\$19,500
Catch-up for 401(k), 403(b), SAR-SEPs, 457(b) Plans (Q 3761)	\$6,500
Elective Deferral Limit for SIMPLE IRAs and SIMPLE 401(k) Plans (Qs 3706, 3760)	\$13,500
Catch-up for SIMPLE IRAs and SIMPLE 401(k) Plans (Qs 3706, 3761)	\$3,000
Min. Compensation Amount for SEPs (Q 3701)	\$650
Maximum Compensation Amount for VEBAs, SEPs, 403(b), and Qualified Plans (Qs 3701, 3866, 3926F, 4032, 4102)	\$290,000
Highly Compensated Employee Definition (Q 3929)	\$130,000, or is 5% owner at any time during look-back year
ESOP Payout Limits (Q 3818)	\$230,000, \$1,165,000
Contribution Limit for Traditional & Roth IRAs	\$6,000
Catch-up for Traditional & Roth IRAs (Qs 3656, 3659)	\$1,000

IRA Contribution—Income Phaseout Ranges

Traditional IRA Deductible Contributions (Q 3656)	
Active Participant	
Married Filing Joint (active spouse)	\$105,000-\$125,000
Married Filing Joint (nonactive spouse)	\$198,000-\$208,000
Married Filing Separate	\$0 – \$10,000
All Other	\$66,000-\$76,000
Roth IRA Contributions (Q 3659)	
Married Filing Joint	\$198,000-\$208,000
Married Filing Separate	\$0 – \$10,000
All Other	\$125,000-\$140,000

Social Security

OASDI Earnings Base	\$142,800
OASDI Rate (employee and employer)	6.2%
HI (Medicare) Rate (each)	1.45%
Earnings Test—Under FRA	\$18,960
Earnings Test—Reach FRA	\$50,520

Average Benefits

All Retired Workers	\$1,543
All Disabled Workers	\$1,277
Aged Couple	\$2,596
Widowed Parent and 2 Children	\$3,001
Aged Widow(er) Only	\$1,453
Disabled Worker, Spouse, and Child(ren)	\$2,224

Portion of SS Benefits Taxable where MAGI Exceeds Limits

Married—Joint	50%	\$32,000
	85%	\$44,000
Married—Separate	50%	\$0
	85%	\$0
All Other	50%	\$25,000
	85%	\$34,000

Required Minimum Distribution (RMD)

Calculate RMD by dividing the account balance at the end of the prior year by the RMD factor for the current year. If assets are invested in a deferred annuity, the actuarial present value of additional benefits (if applicable) should be added to the contract value before dividing by the RMD factor.

Required beginning date (RBD) is generally April 1 of the year after reaching age 72 (or the year of retirement, if later, in the case of some qualified plans). Distributions are not required from a Roth IRA until after the death of the owner. The Roth owner is always treated as dying before the RBD. (For more information please refer to IRS Publication 590-B, IRAs).

Lifetime Distributions

Generally, use the Uniform Lifetime table. If the spouse is the sole designated beneficiary and more than 10 years younger, use the Joint Life and Last Survivor Expectancy table (IRS Publication 590-B).

Distributions after Death of Owner

Under the SECURE Act, there are three “categories” of beneficiaries, each with its own payout rules:

Not a Designated Beneficiary:	
Participant's estate	5-year rule if participant dies before RBD, participant's remaining life expectancy if participant dies after RBD
Charity	
Non-see-through trust	
Designated Beneficiary:	
Individual	Must withdraw benefits within 10 years of participant's death
See-through trust	
“Eligible” Designated Beneficiary:	
Participant's spouse	Payout over beneficiary's life expectancy
Participant's minor child	
Disabled/Chronically III beneficiary	
Beneficiary <10 years younger than participant	

RMD Tables

Uniform Lifetime			Single Life Expectancy			
Age	Factor	%	Age	Factor	Age	Factor
70	27.4	3.6	9	73.8	55	29.6
71	26.5	3.8	10	72.8	56	28.7
72	25.6	3.9	11	71.8	57	27.9
73	24.7	4.0	12	70.8	58	27.0
74	23.8	4.2	13	69.9	59	26.1
75	22.9	4.4	14	68.9	60	25.2
76	22.0	4.5	15	67.9	61	24.4
77	21.2	4.7	16	66.9	62	23.5
78	20.3	4.9	17	66.0	63	22.7
79	19.5	5.1	18	65.0	64	21.8
80	18.7	5.3	19	64.0	65	21.0
81	17.9	5.6	20	63.0	66	20.2
82	17.1	5.8	21	62.1	67	19.4
83	16.3	6.1	22	61.1	68	18.6
84	15.5	6.5	23	60.1	69	17.8
85	14.8	6.8	24	59.1	70	17.0
86	14.1	7.1	25	58.2	71	16.3
87	13.4	7.5	26	57.2	72	15.5
88	12.7	7.9	27	56.2	73	14.8
89	12.0	8.3	28	55.3	74	14.1
90	11.4	8.8	29	54.3	75	13.4
91	10.8	9.3	30	53.3	76	12.7
92	10.2	9.8	31	52.4	77	12.1
93	9.6	10.4	32	51.4	78	11.4
94	9.1	11.0	33	50.4	79	10.8
95	8.6	11.6	34	49.4	80	10.2
96	8.1	12.3	35	48.5	81	9.7
97	7.6	13.2	36	47.5	82	9.1
98	7.1	14.1	37	46.5	83	8.6
99	6.7	14.9	38	45.6	84	8.1
100	6.3	15.9	39	44.6	85	7.6
101	5.9	16.9	40	43.6	86	7.1
102	5.5	18.2	41	42.7	87	6.7
103	5.2	19.2	42	41.7	88	6.3
104	4.9	20.4	43	40.7	89	5.9
105	4.5	22.2	44	39.8	90	5.5
106	4.2	23.8	45	38.8	91	5.2
107	3.9	25.6	46	37.9	92	4.9
108	3.7	27.0	47	37.0	93	4.6
109	3.4	29.4	48	36.0	94	4.3
110	3.1	32.3	49	35.1	95	4.1
111	2.9	34.5	50	34.2	96	3.8
112	2.6	38.5	51	33.3	97	3.6
113	2.4	41.7	52	32.3	98	3.4
114	2.1	47.6	53	31.4	99	3.1
115+	1.9	52.6	54	30.5	100	2.9

Q numbers reference questions in *2021 Tax Facts on Insurance & Employee Benefits*.