

2021 Limits for IRAs, 401(k)s and More

Numbers to know for the new year.

12.15.20 ·
RETIREMENT AND FINANCIAL PLANNING



On October 26, the Treasury Department released the 2021 adjusted figures for retirement account savings. Although these adjustments won't bring any major changes, there are some minor elements to note.

401(k)s.

The salary deferral amount for 401(k)s remains the same at \$19,500, while the catch-up amount of \$6,500 also remains unchanged. However, the overall limit for these plans will increase from \$57,000 to \$58,000 in 2021.¹

Individual Retirement Accounts (IRA).

The limit on annual contributions remains at \$6,000 for 2021, and the catch-up contribution limit is also unchanged at \$1,000.²

Roth IRAs.

Roth IRA account holders will experience some slightly beneficial changes. In 2021, the Adjusted Gross Income (AGI) phase-out range will be \$198,000 to \$208,000 for couples filing jointly. This will be an increase from the 2020 range of \$196,000 to \$206,000. For those who file as single or as head of household, the income phase-out range has also

increased. The new range for 2021 will be \$125,000 to \$140,000, up from the current range of \$124,000 to \$139,000.³

Although these modest increases won't impact many, it's natural to have questions anytime the financial landscape changes. If you're curious about any of the above, speak to your financial or tax professional for more information.

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. This information has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment.

CITATIONS

1. IRS.gov, October 26, 2020
2. IRS.gov, October 26, 2020
3. IRS.gov, October 26, 2020

E / contact@6meridian.com • *P* / 316.776.4601 / 855.334.2110 • *F* / 316.776.4620

WWW.6MERIDIAN.COM • 8301 E. 21st Street N. Ste. 150, Wichita, KS 67206

Securities offered through Private Client Services LLC, Member FINRA/SIPC. Advisory products and services offered through 6 Meridian LLC, a Registered Investment Advisor. Private Client Services LLC and 6 Meridian LLC are unaffiliated entities.

6 Meridian LLC is a Registered Investment Adviser. This fund sheet is solely for informational purposes. Advisory services are only offered to clients or prospective clients where 6 Meridian LLC and its representatives are properly licensed or exempt from licensure. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by 6 Meridian LLC unless a client service agreement is in place.

Material discussed is meant for general illustration and/or informational purposes only and it is not to be construed as tax, legal, or investment advice. Although the information has been gathered from sources believed to be reliable, please note that individual situations can vary, therefore, the information should be relied upon only when coordinated with individual professional advice.