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and to claim the Saver's Credit all increased for 2021.

Oct. 27, 2020



The Internal Revenue Service has made cost-of-living adjustments affecting dollar limitations for pension plans and other retirement-related items for tax year 2021 in [Notice 2020-79](#), posted on IRS.gov.

## Highlights of changes for 2021

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- For single taxpayers covered by a workplace retirement plan, the phase-out range is \$66,000 to \$76,000, up from \$65,000 to \$75,000.
- For married couples filing jointly, where the spouse making the IRA contribution is covered by a workplace retirement plan, the phase-out range is \$105,000 to \$125,000, up from \$104,000 to \$124,000.
- For an IRA contributor who is not covered by a workplace retirement plan and is married to someone who is covered, the deduction is phased out if the couple's income is between \$198,000 and \$208,000, up from \$196,000 and \$206,000.
- For a married individual filing a separate return who is covered by a workplace retirement plan, the phase-out range is not subject to an annual cost-of-living adjustment and remains \$0 to \$10,000. The income limit for the Saver's Credit (also known as the Retirement Savings Contributions Credit) for low- and moderate-income workers is \$66,000 for married couples filing jointly, up from \$65,000; \$49,500 for heads of household, up from \$48,750; and \$33,000 for singles and married individuals filing separately, up from \$32,500.
- The income phase-out range for taxpayers making contributions to a Roth IRA is \$125,000 to \$140,000 for singles and heads of household, up from \$124,000 to \$139,000. For married couples filing jointly, the income phase-out range is \$198,000 to \$208,000, up from \$196,000 to \$206,000. The phase-out range for a married individual filing a separate return who makes contributions to a Roth IRA is not subject to an annual cost-of-living adjustment and remains \$0 to \$10,000.

### **Key employee contribution limits remain unchanged**

The limit on contributions by employees who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan remains unchanged at \$19,500.

The catch-up contribution limit for employees aged 50 and over who participate in

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Details on these and other retirement-related cost-of-living adjustments for 2021 are in [Notice 2020-79](#), available on IRS.gov.

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