|  |  |  |
| --- | --- | --- |
|  |   2019 |   2020 |
| 401(k) | $19,000 | $19,500 |
| 401(k) Catch-Up (Age 50+) | $6,000 | $6,500 |
| 401(k) Employer Match | $37,000 | $37,500 |
| SEP | $56,000/20% of salary/wages | $57,000/20% of salary/wages |
| SIMPLE | $13,000 | $13,500 |
| SIMPLE Catch-Up (Age 50+) | $3,000 | $3,000 |
| IRA | $6,000 | $6,000 |
| IRA Catch-Up (Age 50+) | $1,000 | $1,000 |

**2019-2020 Retirement Planning Contribution Limitations**

One of the most important business tax planning deductions comes in the way of retirement planning. The use of a retirement plan allows a business to claim a current year deduction for the amount of the contribution (except for a Roth 401(k)- for which no upfront tax deduction is permitted). The earnings grow tax deferred (tax free for the Roth 401(k)) and are not taxed until the money is withdrawn during retirement. This one of the few tax strategies that any business can (and should) implement.