

Annual Inflation and Mileage Update 2021

The IRS makes adjustments annually for certain tax items that are required to be inflation-adjusted. The tables below provide the inflation-adjusted amounts for 2021 that are most relevant to nonprofit organizations

Standard Auto Mileage Rate

Business	56 ¢ per mile
Medical (and moving for certain members of the Armed Forces)	16 ¢ per mile
Charitable	14 ¢ per mile

Exclusion amounts for “token” premiums that can be disregarded for purposes of quid pro quo contributions

Fair market value of all items received by donor does not exceed the lesser of \$113 or 2% of the contribution amount, or the payment to the charity is \$56.50 or more, the premiums sent in the connection with the contribution bear the charity’s name or logo, and the cost to the charity of all such items sent to a single donor during a one-year period does not exceed \$11.30.

Limits on employee salary deferrals for 401(k) and 403(b)

Individuals born after 1971	\$19,500
Individuals born after 1972	\$26,000

Social Security Wage Base

\$142,800

Foreign earned income exclusion for individuals working abroad

\$108,700

Level of compensation causing a nonprofit employee to be considered “highly compensated” for purposes of certain qualified benefit plans*

\$130,000

* The compensation used in determining whether an individual is highly compensated for this purpose is that of the prior year. The definition of “compensation” varies depending on the specific circumstances, but it generally does not include a validly designed clergy housing allowance within allowable limits

Annual Cap on deductible payins to health savings accounts (HSAs)

Single coverage	\$3,650
Family coverage	\$7,200
HSA owners born before 1967	\$1,000 more than the amounts listed

Monthly parking value exclusion (qualified transportation fringe benefit)

\$270