

## Average percentage reductions in 401(k) account balances by limiting contributions to the lesser of \$20,000 or 20% of income



An analysis by EBRI shows that reduced limits for 401(k) plans would result in lower account balances at retirement for all income groups. EBRI estimates that younger workers in the lowest income quartile in a small plan could expect a 14% reduction in account balances at Social Security normal retirement age.

*Source: Employee Benefits Research Institute, Tax Reform Options: Promoting Retirement Security (2011).*

WORKERS **35<sup>AND</sup> UNDER** COULD EXPECT **14% LESS** AT RETIREMENT IF CONTRIBUTIONS ARE LIMITED