

# 2026 RETIREMENT PLAN LIMITS

Each year, the Internal Revenue Service publishes updated dollar limitations for tax-qualified defined benefit and defined contribution plans. The limits are important for tax-qualified plans, as well as many non-qualified plans.

## 2026 COST OF LIVING ADJUSTMENTS

SUMMARY	2026 LIMIT	2025 LIMIT
Dollar Limit on Elective Deferrals	\$24,500	\$23,500
Catch-Up Contribution Limit (Age 50-59, 64+)	\$8,000	\$7,500
Catch-Up Contribution Limit (Age 60-63)	\$11,250	\$11,250
Annual Compensation Limit	\$360,000	\$350,000
Section 415 Annual Additions Limit	\$72,000	\$70,000
Highly Compensated Employee	\$160,000	\$160,000
Key Employee (Officers)	\$235,000	\$230,000

### DOLLAR LIMIT ON ELECTIVE DEFERRALS

The maximum amount a participant may defer into a 401(k), 403(b) or 457(b) plan for a given calendar year increases to \$24,500 for 2026.

### CATCH-UP CONTRIBUTION LIMIT

If your 401(k), 403(b) or governmental 457(b) plan allows for catch-up contributions, participants age 50-59 or 64+ in the calendar year may make up to \$8,000 in additional contributions in 2026. For participants age 60-63 in the calendar year, the dollar limit remains at \$11,250 for 2026. Effective January 1, 2026, employees age 50+ making catch-up contributions to a 401(k) plan with prior-year wages over \$150,000 (indexed annually) will be required to make their catch-up contributions as Roth (after-tax) contributions.

### ANNUAL COMPENSATION LIMIT

The Internal Revenue Code limits the amount of annual compensation that may be used for each employee's benefit calculation purposes. For 2026, the annual compensation limit increases to \$360,000.

### SECTION 415 ANNUAL ADDITIONS LIMIT

Internal Revenue Code Section 415 provides for dollar limitations on contributions to defined contribution plans. The dollar limitation for defined contribution plans increases to \$72,000 for 2026.

### HIGHLY COMPENSATED EMPLOYEE

The definition of a highly compensated employee (HCE) is quite complex and depends partly on the provisions elected in your plan document. Generally, an HCE received compensation for the preceding year in excess of a certain dollar amount. For 2026, the dollar amount remains at \$160,000. For example, an employee compensated more than \$160,000 in the 2026 plan year may be an HCE in the 2027 plan year.

### KEY EMPLOYEE (OFFICERS)

An individual who owns more than 5% of a business, owns more than 1% of a business and has compensation in excess of \$150,000, or is an officer with compensation in excess of a certain dollar amount, is considered a key employee. The compensation limit for key employees increases to \$235,000 for 2026. (The \$150,000 compensation limit for 1% owners is not indexed for cost-of-living increases.)

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## 2026 COST OF LIVING ADJUSTMENTS FIVE YEAR

### IRAS

SUMMARY	2026 LIMIT	2025 LIMIT	2024 LIMIT	2023 LIMIT	2022 LIMIT
IRA Contribution Limit	\$7,500	\$7,000	\$7,000	\$6,500	\$6,000
IRA Catch-Up Contributions	\$1,100	\$1,000	\$1,000	\$1,000	\$1,000

### DEFINED BENEFIT

SUMMARY	2026 LIMIT	2025 LIMIT	2024 LIMIT	2023 LIMIT	2022 LIMIT
Defined Benefit Limits	\$290,000	\$280,000	\$275,000	\$265,000	\$245,000

### 401(K), 403(B), PROFIT-SHARING PLANS, ETC.

SUMMARY	2026 LIMIT	2025 LIMIT	2024 LIMIT	2023 LIMIT	2022 LIMIT
Annual Compensation Limit	\$360,000	\$350,000	\$345,000	\$330,000	\$305,000
Dollar Limit on Elective Deferrals	\$24,500	\$23,500	\$23,000	\$22,500	\$20,500
Catch-Up Contribution Limit (Age 50-59, 64+)	\$8,000	\$7,500	\$7,500	\$7,500	\$6,500
Catch-Up Contribution Limit (Age 60-63)	\$11,250	\$11,250	0	0	0
Section 415 Annual Additions Limit	\$72,000	\$70,000	\$69,000	\$66,000	\$61,000
ESOP Limits	\$1,455,000	\$1,415,000	\$1,380,000	\$1,330,000	\$1,230,000

### OTHER

SUMMARY	2026 LIMIT	2025 LIMIT	2024 LIMIT	2023 LIMIT	2022 LIMIT
Highly Compensated Employee	\$160,000	\$160,000	\$155,000	\$150,000	\$135,000
Key Employee (Officer)	\$235,000	\$230,000	\$220,000	\$215,000	\$200,000
457 Elective Deferrals	\$24,500	\$23,500	\$23,000	\$22,500	\$20,500
Control Employee (Board Member or Officer)	\$145,000	\$140,000	\$135,000	\$130,000	\$120,000
Control Employee (Compensation-Based)	\$290,000	\$285,000	\$275,000	\$265,000	\$245,000
Taxable Wage Base	\$184,500	\$176,100	\$168,600	\$160,200	\$147,000

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