

Retirement Plan Dollar Limits for 2026

The contributions and benefits under qualified retirement plans are subject to certain annual limits. The annual limits are subject to an annual cost-of-living increase based on an increase in the Consumer Price Index (CPI) for the quarter ending September 30. The Internal Revenue Service (IRS) has announced the cost-of-living adjustments to dollar limitations for retirement plans for 2026. All plan limits for 2025 and 2026 are shown below:

Limit	2025	2026
Compensation Limit	\$350,000	\$360,000
Defined Contribution \$415 Limit	\$70,000	\$72,000
Key Employee Officer	\$230,000	\$235,000
Highly Compensated Employee (HCE)	\$160,000	\$160,000
High Income Earner (HIE) FICA Limit - determines if catch-up must be made as Roth the following year	\$150,000	TBD

Elective Deferral and Catch-up Limits for 2026

The elective deferral contribution limit increased for 2026 as follows.

Limit	2025	2026
401(k) Deferral & 457(b) Total Contribution Limits	\$23,500	\$24,500
401(k) Catch-up Limit: ages 50-59 and 64 or older	\$7,500	\$8,000
401(k) Super Catch-up Limit: ages 60,61,62, and 63	\$11,250	\$11,250

Social Security Wage Base

The Social Security Administration announced a change to the taxable wage base (TWB) from 2025, and it will be \$184,500 for 2026. Workers pay Social Security tax on wages up to the TWB. Also, some retirement plan formulas are integrated with Social Security. These plans often use the TWB when allocating contributions or calculating benefits.

