

# You Can Now Save More in Your 401(k). See Why That Matters.



Most people don't look forward to annual IRS announcements the same way they do the next season of their favorite Netflix show, but this one's worth a look. Higher retirement plan contribution limits have been announced for 2026, and even a modest bump in your savings rate can make a big difference down the road.

Here's what's new for 2026:

- **401(k), 403(b), and 457(b):** the elective deferral limit is increasing to \$24,500 (from \$23,500 in 2025)
- **Catch-up contribution (for those aged 50+):** the limit is increasing to \$8,000 (from \$7,500 in 2025)
- **Super catch-up contribution (for those aged 60–63):** the limit remains at \$11,250 for 2026
- **Participants who earned more than \$145,000** in 2025 will need to make any catch-ups as Roth (after-tax) contributions

## Consider Saving More Today. Your Future Self Will Thank You.

Even a small bump in your annual contribution rate can result in a meaningful boost toward your retirement goals.

Let's consider Ann. She is 45 years old, earns \$50,000 a year, has \$150,000 in her 401(k), and contributes 10% of her paycheck annually to the plan. Raising her contribution to 12% (just \$1,000 more per year) could yield more than \$42,000 in additional savings for Ann over 20 years (assuming an average 7% annual investment return and no change in her salary). Add a 50% employer match on the first 6% of her contributions, and Ann's overall savings and earning boost could reach approximately \$63,000.

## Small Moves Can Make a Big Difference

If you want to sock away that extra \$1,000 – or any additional amount – to help build a bigger nest egg for your future self, consider one or more of these strategies:

- **Adjust your budget.** Even small changes, like reducing subscriptions or discretionary spending, can help create more space in your paycheck for retirement savings.
- **Use gift money or other non-paycheck income to make room for savings.** Money you get from outside your paycheck can't go directly into your 401(k), but it can help you take care of other expenses and create an opportunity to bump up your retirement plan contribution rate.
- **Maximize any employer match.** Don't go at it alone. Depending on the formula, your employer match could cover a large share of the extra amount you want to save.

Once you retire, any extra amount you've saved and earned could help you cover healthcare costs, create a travel fund, manage financial emergencies, or bump up your charitable giving – whatever future freedom means to you. If you're eligible and capable, take advantage of catch-up contributions to increase your momentum and potentially make your 50s and early 60s some of your most impactful years for savings. Even if you've fallen behind on your retirement savings progress, there's still time to make a significant difference. Forge a Brighter Retirement Reality So, if you caught up on Stranger Things over the holidays, remember that you don't need to visit a parallel dimension to set your future self up for a more secure retirement. Consider what small adjustments today could mean for yourself and your retirement portfolio tomorrow.

Visit your retirement plan provider's website or speak with your Plan's Dedicated Retirement Planning Specialist at MCF by calling 859-967-0999 to learn more and discuss your options.

**Sources:**

<https://www.irs.gov/newsroom/401k-limit-increases-to-24500-for-2026-ira-limit-increases-to-7500>

<https://www.aarp.org/money/retirement/401k-calculator/>

Material connection - Retirement Plan Advisory Group, <https://www.rpag.com/>

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