

# IRS Benefit Plan Limits | 2026

On November 13, 2025, the IRS released [Notice 2025-67](#), announcing cost-of-living adjustments that affect contribution limits for retirement plans and retirement accounts in 2026. The table below, though not exhaustive, highlights key changes that retirement plan sponsors should be aware of, along with several limitations that remain unchanged.

The following tables display key limits for 2025 and 2026 from the IRS:

Limit	Key Changes
Elective deferral limit <sup>1</sup>	Increase from \$23,500 to \$24,500
Standard catch-up contribution	Increase from \$7,500 to \$8,000
Catch-up contribution limit for employees ages 50-59 or 64+ (at the end of the calendar year) for employer-sponsored plans (401(k), 403(b), governmental 457(b) currently offering catch-up contributions)	Increase from \$7,500 to \$8,000
Aggregate contribution limit for defined contribution plans	Increase from \$70,000 to \$72,000
Annual compensation limit	Increase from \$350,000 to \$360,000
Limitation on the annual benefit under a defined benefit <sup>2</sup>	Increase from \$280,000 to \$290,000
Dollar limit used in the definition of "key employee" in a top-heavy retirement plan	Increase from \$230,000 to \$235,000
Dollar limit used in the definition of "highly compensated employee"	No change from 2025 to 2026, remains at \$160,000
Roth threshold for catch-up and super catch-up contributions	New in 2026: Employees eligible to make catch-up and super catch-up contributions who earned \$150,000 or more in 2025 must designate their catch-ups as Roth.

401(k) and 403(b) Plan Limits	2025	2026
Elective deferral limit <sup>1</sup>	\$23,500	\$24,500
Catch-up contributions ( <i>based on age at the end of the calendar year</i> )		
For individuals ages 50–59 or 64+	\$7,500	\$8,000
For individuals ages 60–63	\$11,250	\$11,250
Aggregate contribution limit <sup>1</sup> ( <i>based on age at the end of the calendar year</i> )		
For individuals younger than 50	\$70,000	\$72,000
For individuals ages 50–59 or 64+	\$77,500	\$80,000
For individuals ages 60–63	\$81,250	\$83,250
401(a) compensation limit <sup>3</sup>	\$350,000	\$360,000
Highly compensated employee income limit	\$160,000	\$160,000
Key employee limit	\$230,000	\$235,000

<b>457(b) Plan Limits</b>	<b>2025</b>	<b>2026</b>
457(b) employee deferral limit <sup>1</sup>	\$23,500	\$24,500
Catch-up contributions for governmental 457(b) plans that currently offer catch-up contributions ( <i>based on age at the end of the calendar year</i> )		
For individuals ages 50–59 or 64+	\$7,500	\$8,000
For individuals ages 60–63	\$11,250	\$11,250
Aggregate contribution limit for 457(b) plans ( <i>based on age at the end of the calendar year</i> )		
For individuals younger than 50	\$70,000	\$72,000
For governmental 457(b) plans that currently offer catch-up contributions		
For individuals ages 50–59 or 64+	\$77,500	\$80,000
For individuals ages 60–63	\$81,250	\$83,250

<b>Traditional and Roth IRA Limits</b>	<b>2025</b>	<b>2026</b>
Traditional IRA and Roth IRA contribution limit	\$7,000	\$7,500
Catch-up contribution for individuals ages 50 and over ( <i>based on age at the end of the calendar year</i> )	\$1,000	\$1,100

<b>SEP IRA Limits</b>	<b>2025</b>	<b>2026</b>
SEP contribution limit	\$70,000	\$72,000
SEP minimum compensation	\$750	\$800
SEP maximum compensation	\$350,000	\$360,000

<b>SIMPLE IRA Limits for employers with 26 or more employees</b>	<b>2025</b>	<b>2026</b>
Contribution limit	\$16,500	\$17,000
Catch-up contributions ( <i>based on age at the end of the calendar year</i> )		
For individuals ages 50–59 or 64+	\$3,500	\$4,000
For individuals ages 60–63	\$5,250	\$5,250
Aggregate contribution limit for SIMPLE IRA ( <i>based on age at the end of the calendar year</i> )		
For individuals younger than 50	\$16,500	\$17,000
For individuals ages 50–59 or 64+	\$20,000	\$21,000
For individuals ages 60–63	\$21,750	\$22,250
<b>SIMPLE IRA Limits for employers with 25 or fewer employees</b>	<b>2025</b>	<b>2026</b>
Contribution limit	\$17,600	\$18,100
Catch-up contributions ( <i>based on age at the end of the calendar year</i> )		
For individuals ages 50–59 or 64+	\$3,850	\$3,850
For individuals ages 60–63	\$5,250	\$5,250
Aggregate contribution limit for SIMPLE IRA ( <i>based on age at the end of the calendar year</i> )		
For individuals younger than 50	\$17,600	\$18,100
For individuals ages 50–59 or 64+	\$21,450	\$21,950
For individuals ages 60–63	\$22,850	\$23,350

**A note on SIMPLE IRAs:** Employers with 26 or more employees can take advantage of these larger limits by increasing the employer contribution formula in the adoption agreement to a 4 percent matching contribution or a 3 percent nonelective contribution.

<sup>1</sup> Employee deferrals to all 401(k) and 403(b) plans must be aggregated for purposes of this limit.

<sup>2</sup> For a participant who separated from service before January 1, 2026, the limitation for defined benefit plans under Section 415(b)(1)(B) can be computed by multiplying the participant's compensation limitation, as adjusted through 2025, by 1.0288.

<sup>3</sup> 401(a) compensation limit, the amount of earned income that can be used to calculate retirement account contributions. All compensation from a single employer (including all members of a controlled group) must be aggregated for purposes of this limit.

*This material has been provided for general informational purposes only and does not constitute tax, legal, or specific investment advice. Although we go to great lengths to make sure our information is accurate and useful, we recommend you consult a qualified professional regarding your situation. Commonwealth Financial Network does not provide tax or legal advice.*



**WHZ Strategic Wealth Advisors**

697 Pomfret Street, Pomfret Center, CT 06259 | 392-A Merrow Road, Tolland, CT 06084  
 (860) 928-2341 o@whzwealth.com . www.whzwealth.com