



Retirement Plan Limitations

Limitations on qualified retirement plan benefits and contributions

The IRS recently announced the 2026 cost-of-living adjustments for various retirement plan dollar limits. The indexed amounts, and other commonly used limits, are listed below:

	2023	2024	2025	2026
Maximum Pretax Contribution by Employees to 401(k) plans (§402(g)(1)) ¹	\$22,500	\$23,000	\$23,500	\$24,500
Maximum Pretax Contribution by Employees to a SIMPLE Plan (§408(p)(2)(E)) ^{1,2}	\$15,500	\$16,000	\$16,500	\$17,000
Maximum Pretax Contribution by Employees to 403(b) plans (§402(g)(1)) ^{1,2}	\$22,500	\$23,000	\$23,500	\$24,500
Maximum Exclusion from an eligible 457 plan ^{1,2}	\$22,500	\$23,000	\$23,500	\$24,500
Maximum After-Tax Contribution by employees to 402A Roth 401(k), 403(b), and governmental 457(b) plans	\$22,500	\$23,000	\$23,500	\$24,500
Defined Benefit Maximum (§415(b)(1)(A)) (\$90,000 in 1987) ³	\$265,000	\$275,000	\$280,000	\$290,000
Defined Contribution Maximum (§415(c)(1)(A)) ^{2, 3}	\$66,000	\$69,000	\$70,000	\$72,000
Highly Compensated Employees (§414(q)(1)(B)) ^{4, 5} (Compensation Exceeding \$80,000 in 1997)	\$150,000	\$155,000	\$160,000	\$160,000
Considered Compensation Cap (§401(a)(17), 404(l), 408(k)(3)(C), 408(k)(6)(D)(iii)) ⁴	\$330,000	\$345,000	\$350,000	\$360,000
Simplified Employee Pension (SEP)				
Compensation Threshold for Participation (§408(k)(2)(C)) ⁴	\$750	\$750	\$750	\$800
Key Employee (§416 officer)	\$215,000	\$220,000	\$230,000	\$235,000
Social Security Wage Base	\$160,200	\$168,600	\$176,100	\$184,500
Earnings Limit without losing Social Security benefits				
At least age 62, but under full retirement age ⁶	\$21,240	\$22,320	\$23,400	\$24,480
The year an individual reaches full retirement age ⁷	\$56,520	\$59,520	\$62,160	\$65,160
Catch-up Contribution (§414(v)(2)(B)(i)) for individual aged 50 or over in an employer plan other than a plan described in §401(k)(11) or §408(p) (SIMPLE) ¹	\$7,500	\$7,500	\$7,500	\$8,000
Catch-up Contribution (§414(v)(2)(E)(i)) for individual aged 60, 61, 62, or 63 in an employer plan other than a plan described in §401(k)(11) or §408(p) (SIMPLE) ¹			\$11,250	\$11,250
Catch-up Contribution (§414(v)(2)(B)(iii)) for individual aged 50 or over in a plan described in §401(k)(11) or §408(p) (SIMPLE) ^{1,2}	\$3,500	\$3,500	\$3,500	\$4,000
Catch-up Contribution (§414(v)(2)(E)(iii)) for individual aged 60, 61, 62, or 63 in a plan described in §401(k)(11) or §408(p) (SIMPLE) ¹			\$5,250	\$5,250
Roth catch-up contribution wage threshold (§414(v)(7)(A)) ⁸				\$150,000

¹ Participants' limitation for each calendar year.

² Other limitations apply; limits may be exceeded under certain circumstances.

³ Thresholds are based on the plan (limitation) year which ends during the calendar year.

⁴ Amounts are subject to the thresholds in effect at the beginning of the plan (determination) year.

⁵ Post-1996 definition of Highly Compensated Employees is: (a) 5% owners during the year or the preceding year, or (b) employees with compensation in excess of \$80,000 (as indexed above) for the preceding year, or (c) employees with compensation in excess of \$80,000 (as indexed above) for the preceding year, and in the top 20% of compensated employees for the preceding year as defined by the plan document.

⁶ One dollar in benefits will be withheld for every \$2 in earnings above the limit. For retirees born in 1943-1954, full retirement age is 66. Full retirement age will gradually increase to age 67 for those born in 1955-1959. Retirement age is 67 for those born in 1960 and later.

⁷ Applies only to earnings for months prior to attaining full retirement age. One dollar in benefits will be withheld for every \$3 in earnings above the limit. There is no limit on earnings beginning the month an individual attains full retirement age.

⁸ Generally applies to a catch-up eligible participant whose FICA wages for the preceding calendar year from the employer sponsoring the plan exceeded the threshold.

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