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Benefits Alert

November 14, 2025

2026 Retirement Plan Benefit limits

By Mark L. Stember

One day after the federal government shutdown ends, the IRS announced annual inflation adjustments for retirement plans. Here's what employers and plan administrators need to know.



What's the impact?

- Employers and plan administrators must take note of inflation adjusted limits for retirement benefit plans for 2026.
- Employers should communicate these changes to employees as soon as possible.

On November 13, 2025, the [Internal Revenue Service](#) announced the calendar year 2026 annual inflation adjustments for retirement benefit plans. The following are inflation adjusted limits for retirement benefit plans for 2025 and 2026.

	2025	2026
<u>Retirement Plans—Defined Contribution Limits:</u>		
Elective Deferrals—IRC 401(k), 403(b), 457(b)	\$23,500	\$24,500
Catch-Up Contributions (age 50 plus)	\$7,500	\$8,000
Catch-Up Contributions (age 60-63)	\$11,250	\$11,250
Roth Catch-Up Prior-Year Wage Threshold*	N/A	\$150,000
Emergency Savings Account Contribution Limit	\$2,500	\$2,600
Domestic Abuse Withdrawal Limit	\$10,300	\$10,500
Annual Contribution Limit	\$70,000	\$72,000
<u>Retirement Plans—Defined Benefit Limits:</u>		
Annual Annuity Benefit Limit	\$280,000	\$290,000
<u>Retirement Plans—Other Adjustments:</u>		
Annual Compensation Limit	\$350,000	\$360,000
Highly Compensated Employee Definition	\$160,000	\$160,000
Key Employee Definition for Top-Heavy Testing	\$230,000	\$235,000
<u>Social Security:</u>		
Taxable Wage Base Compensation Limit	\$176,100	\$184,500

*This change affects employers who are now implementing the new requirement that participants who had Social Security (FICA) wages over a specified amount in the preceding year must have “catch-up” contributions treated as after-tax Roth rather than pre-tax elective deferrals. The specified wage limit for implementing the Roth catch-up requirement for 2026 is now \$150,000 of FICA wages in the preceding (2025) year.

Nixon Peabody's [Employee Benefits & ERISA](#) lawyers are well-equipped to help employers and plan administrators navigate inflation-related tax adjustments and stay compliant with evolving employee benefits regulations. For more information on the content of this alert, please contact your Nixon Peabody attorney or:

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