

2026 Retirement Plan Contribution Projections

Quick-Take: As we begin to plan for 2026, perhaps the first thing we need to look at will be the expected changes to the retirement plan contribution rules for 2026.

Background: We are soon to enter that part of the calendar year when the IRS begins to determine what the retirement plan contribution adjustments will be for the next calendar year. Every IRC limit for qualified retirement plans will rise from 2025 to 2026. Those 2026 limits will reflect increases in the Consumer Price Index for All Urban Consumers, based on the third quarter of 2024 to the third quarter 2025 ,which is now upon us.

While these amounts cannot be finalized until the September CPI-U values are published in October, the IRS usually announces the official amounts (or limits) for the next year in late October or early November. What follows are some current projections of the 2026 contribution amount and the limits for contributions.

IRC 401(k), 403(b), and 457 Elective Deferrals: 2026 Projected \$24,400 (compared to \$23,500 in 2025)

IRC 414(v)(2)(B)(ii) Catch-up Contributions for Over Age 50: 2026 Projected \$8,000 (compared to \$7,500 in 2025)

Special Catch-up Contributions for Ages 60-63: 2026 Projected \$12,000 (compared to \$11,250 in 2025)

IRC 415(b) Defined Benefit Plan Annuity: 2026 Projected \$290,000 (compared to \$280,000 in 2025)

IRC 415(c) Defined Contribution Plan Annual Addition: 2026 Projected \$72,000-\$73,000 (compared to \$70,000 in 2025)

IRC 410(a)(17) and IRC 408(k)(3)(C) Compensation: 2026 Projected \$360,000 - \$365,000
(compared to \$350,000 in 2025)

IRC 414(q)(1)(B) Highly Compensated Employee: 2026 Projected \$160,000-\$165,000 (compared to \$160,000 in 2025)

IRC 416(i)(1)(A)(i) Officer Compensation for Top-Heavy 'Key Employee': 2026 Projected \$235,000 (compared to \$230,000 in 2025)

Conclusion: As noted, these are only projections for 2026, and if inflation (thanks to the new tariff regime) is larger in August and September than anticipated, these 2026 projected amounts could increase even further.

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