2026 Annual Benefit Plan Amounts

Contribution & Benefit Limits	2025 Limit	2026 Limit
Section 401(k), 403(b), or 457(b) annual deferral	$23,500	$24,500
SIMPLE plan annual deferral	$16,500	$17,000
Section 415 maximums		
▪ Annual benefit from defined benefit plan	$280,000	$290,000
▪ Annual additions to defined contribution plan	$70,000	$72,000
Maximum IRA contribution	$7,000	$7,500
Catch-up contribution limits		
▪ Retirement plan (regular)	$7,500	$8,000
▪ "Super" catch-up for those aged 60-63	$11,250	$11,250
▪ SIMPLE plan	$3,500	$4,000
▪ IRA	$1,000	$1,100
Compensation Amounts		
Annual compensation limit	$350,000	$360,000
Grandfathered governmental plan participants	$520,000	$535,00
Highly compensated employees		
▪ Any employee*	$160,000**	$160,000**
▪ 5 percent owner	No minimum	No minimum

* Employer may elect to limit to top-paid 20%

** Due to the look-back rule, applies in determining HCEs during following year

Key employees		
▪ Officer	$230,000	$235,000
▪ 1 percent owner	$150,000	$150,000
▪ 5 percent owner	no minimum	no minimum
Small Business Health Care Tax Credit Average Wage	$27,000 - $56,000	$67,000

This information is brought to you by your Partner Firm of United Benefit Advisors, the nation's leading employee benefits advisory organization with more than 200 offices throughout the United States and Canada.

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Social Security/Medicare	2025 Limit	2026 Limit
▪ OASDI taxable wage base	$176,100	$ 184,500
▪ OASDI tax rate - employer	6.2%	6.2%
▪ OASDI tax rate - employee	6.2%	6.2%
▪ Medicare tax rate - employer	1.45%	1.45%
▪ Medicare tax rate - employee	1.45% [1]	1.45% [1]
Maximum income without reducing Social Security retirement benefits		
▪ SSRA[2] or over	No limit	No limit
▪ Year individual attains SSRA[2]	$62,160.[3]	$ 65,160[3]
▪ Under SSRA[2]	$23,400/yr.	$24,480

[1] Employer must withhold additional 0.9% from compensation in excess of $200,000 (single, head of household with qualifying person, or qualifying widow with dependent child), $250,000 (married filing jointly), $125,000 (married filing separate)

[2] Social Security Retirement Age (age at which an individual may receive an unreduced monthly benefit)

[3] No limit on earnings beginning the month an individual attains SSRA

Health Plan Limits		
Maximum Health FSA		
▪ Contribution	$3,300	$3,400
▪ Carryover	$660	$680
Maximum HSA contribution		
▪ Individual	$4,300	$4,400
▪ Family	$8,550	$8,750
▪ Catch-up	$1,000	$1,000
Minimum HDHP deductible		
▪ Individual	$1,650	$1,700
▪ Family	$3,300	$3,400
Maximum HDHP out-of-pocket		
▪ Individual	$8,300	$8,500
▪ Family	$16,600	$17,000
Maximum out-of-pocket (non-grandfathered plans)		
▪ Individual	$9,200	$10,600
▪ Family	$18,400	$21,200

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The Internal Revenue Service (IRS) has released Notice 2025-67 announcing cost-of-living adjustments regarding the 2026 limits for retirement plans and IRS Notice 2025-19, announcing cost-of-living adjustments regarding 2026 limits for health and welfare plans.

Employers applying these new limits to their plans should consult with their carriers, update their plan documents/SPDs, and notify participants enrolling in the plans as part of open enrollment.