2026 Cost of Living Adjustments Announced

The cost of living dollar amounts for retirement plans, health account solutions, and the taxable wage base have been published for 2026, and are outlined in this document for ease of reference.

On November 13, 2025, the Internal Revenue Service issued Notice 2025-67, providing the cost of living dollar limits for retirement plans:

LIMIT	2026	2025
Defined Benefit Plan The lesser of the maximum dollar limitation for annual benefits under defined benefit plans under Internal Revenue Code (IRC) Section 415(b)(1)(A) or 100% of the participant's average compensation for his high 3 years.	$290,000	$280,000
Defined Contribution Plan 415 Dollar Limit The lesser of the dollar limitation for annual additions under defined contribution plans under IRC Section 415(c)(1)(A) or 100% of compensation.	$72,000	$70,000
401(k)/403(b)/Existing SARSEP Elective Deferral Limit All elective deferrals (including designated Roth contributions) in a tax year made by a participant to 401(k), 403(b) tax deferred annuity, simplified employee pension, and SIMPLE retirement plans are aggregated under IRC Section 402(g).	$24,500	$23,500
457 Deferral Limit The lesser of the limitation on vested contributions to 457 plans under IRC Section 457(e)(15) or 100% of includible compensation.	$24,500	$23,500
403(b) Limit, Including 15 Years of Service Catch-up The maximum available 402(g) elective deferral limit plus the special catch-up election for employees participating in a 403(b) tax deferred annuity who have had at least 15 years of service with an educational organization, hospital, home health agency, health and welfare service agency, church or convention or association of churches. *Note: The additional 403(b) special catch-up of up to $3,000 per year cannot exceed cumulatively $15,000 over the lifetime of the 403(b) participant.*	$27,500	$26,500

LIMIT	2026	2025
Special 457 Catch-up Limit The special catch-up election for employees participating in an eligible 457 deferred compensation plan who have elected the special catch-up available in the three years prior to the year of normal retirement age. The annual additional amount available under a Special 457 Catch-up for an eligible participant is the lesser of (1) twice the current deferral limit, or (2) the sum of the current deferral limit plus the underutilized amount from prior years. *Note: The participant in a governmental 457(b) plan may make catch-up contributions in a year equal to the greater of (1) the amount permitted under the Age 50+ Catch-up, or (2) the amount permitted under the Special 457 Catch-up.*	$49,000	$47,000
Age 50+ Catch-up Limit (401(k), 403(b), and Governmental 457(b) Plans) The special catch-up available under IRC Section 414(v) for individuals at least 50 years old to make eligible pre-tax (and/or designated Roth) contributions to 401(k), 403(b), and governmental 457 plans.	$8,000	$7,500
*****Important note with respect to participants whose FICA wages in the prior year paid by the employer sponsoring a 401(k), 403(b), or governmental 457(b) plan exceeded the dollar amount under the "Roth catch-up Threshold":*** The Roth catch-up wage threshold for the prior year which is used to determine whether an individual's catch-up contributions to 401(k), 403(b), or governmental 457(b) plan must be designated as Roth contributions in 2026.	$150,000	$145,000
Increased Catch-up Limit for Participants Between Ages 60-63 (401(k), 403(b), and Governmental 457(b) Plans) The increased catch-up available under IRC Section 414(v) for individuals at least 60 years old and not more than 63 years to make eligible pre-tax (and/or designated Roth) contributions to 401(k), 403(b), and governmental 457 plans.	$11,250	$11,250
IRA Annual Contribution Limit Total annual contributions may be made by an individual, aggregating all traditional and Roth IRAs they own. Note: Federal individual income tax filing status and adjusted gross income determine the deductibility of annual contributions to a traditional IRA and eligibility to contribute to a Roth IRA.	$7,500	$7,000

LIMIT	2026	2025
Age 50+ Catch-up Limit (IRAs) The special catch-up available under IRC Section 219(b) for individuals at least 50 years old.	$1,100	$1,000
Definition of Key Employee The compensation threshold used for determining key employees under IRC Section 416(i)(1)(A)(i).	$235,000	$230,000
Definition of Highly Compensated Employees The compensation threshold used for determining highly compensated employees under IRC Section 414(q)(1)(B).	$160,000	$160,000
Compensation Limit The annual limit of compensation that may be taken into account for contribution purposes in accordance with IRC Section 401(a)(17).	$360,000	$350,000
The annual limit of compensation that may be taken into account for contribution purposes in accordance with IRC Section 401(a)(17) (certain governmental plan participants who first became participants in that governmental plan before the 1996 plan year).	$535,000	$520,000
Dollar Limit for Exception to the IRS Premature Distribution Penalty Tax for Domestic Abuse Victim Distributions The annual dollar amount used for determining the aggregate amount available for a domestic abuse victim distribution from 401(a) and 401(k) defined contribution plans, 403(b) plans, governmental 457(b) plans and traditional IRAs, other than defined contribution plans subject to spousal consent. The amount available cannot exceed the lesser of that year's dollar amount or 50 percent of the participant's vested account.	$10,500	$10,300
Adjusted Gross Income Limit for Saver's Credit The highest adjusted gross income (based on federal income tax filing status) taken into account for eligibility for the Saver's Credit under IRC Section 25B.	$80,500 (joint) $40,250 (single) $60,375 (head of household)	$79,000 (joint) $39,500 (single) $59,250 (head of household)
Deferral Limit for SIMPLE Retirement Accounts Annual contribution limit for employee deferrals to a SIMPLE retirement plan described in IRC Section 408(p)(2) or 401(k)(11).	$17,000	$16,500

LIMIT	2026	2025
Age 50+ Catch-up Limit for SIMPLE Retirement Accounts The special catch-up available for individuals who are at least 50 years old and make eligible pre-tax contributions to a SIMPLE plan described in IRC Section 408(p)(2) or 401(k)(11).	$4,000	$3,500
Increased Catch-up Limit for Participants Between Ages 60-63 (SIMPLE Retirement Accounts) The increased catch-up available under IRC Section 414(v) for individuals at least 60 years old and not more than 63 years old to make eligible pre-tax (and/or designated Roth in the case of a SIMPLE 401(k) plan) contributions to a SIMPLE plan described in IRC Section 408(p)(2) or 401(k)(11).	$5,250	$5,250
Compensation for SEPs Compensation taken into account to determine eligibility for simplified employee pensions (SEPs).	$800	$750

On October 24, 2025, the Social Security Administration released its cost of living information:

	2026	2025
Taxable Wage Base Maximum amount of earnings subject to payroll tax.	$184,500	$176,100

The following are the cost of living dollar limits for health account solutions, based on Revenue Procedure 2025-19, released on May 1, 2025 and Revenue Procedure 2025-32 released on October 9, 2025:

LIMIT	2026	2025
Health Spending Account (HSA) Contribution Limit The annual dollar limit on deductions under IRC Section 223(b)(2) under a high deductible health plan.	$4,400 (self-only coverage) $8,750 (family coverage)	$4,300 (self-only coverage) $8,550 (family coverage)
HSA Contribution Limit Including Age 55+ Catch-up The maximum annual HSA contribution limit plus the $1,000 catch-up under IRC Section 223(b)(3) for individuals at least 55 years old.	$5,400 (self-only coverage) $9,750 (family coverage)	$5,300 (self-only coverage) $9,550 (family coverage)

LIMIT	2026	2025
Definition of High Deductible Health Plan The annual minimum deductible of a high deductible health plan as defined under IRC Section 223(c)(2)(A).	$1,700 (self-only coverage) $3,400 (family coverage)	$1,650 (self-only coverage) $3,300 (family coverage)
Maximum Out-of-Pocket Expenses for a High Deductible Health Plan The maximum annual out-of-pocket expenses (deductibles, co-payments, and other amounts, but not premiums).	$8,500 (self-only coverage) $17,000 (family coverage)	$8,300 (self-only coverage) $16,600 (family coverage)
Flexible Spending Accounts (FSAs) The maximum annual dollar limit under IRC Section 125(i) for employee pre-tax contributions to a health FSA.	$3,400	$3,300
The maximum annual dollar limit under IRC Section 125(i) for employee pre-tax contributions to a limited purpose FSA for medical expenses not covered by insurance.	$3,400	$3,300
The maximum annual dollar limit under IRC Section 129(a) for employee pre-tax contributions to a dependent care FSA.	$3,750 (married filing separately) $7,500 (all other tax filers)	$2,500 (married filing separately) $5,000 (all other tax filers)
Commuter Benefit Spending Accounts The monthly dollar contribution limit under IRC Section 132(f)(2)(A) for transportation in a commuter highway vehicle or mass transit pass.	$340	$325
The monthly dollar contribution limit under IRC Section132(f)(2)(B) for qualified parking.	$340	$325