IRS Announces New 2026 Qualified Retirement Plan Limits

November 18, 2025

RELATED PRACTICES Employee Benefits and Executive Compensation

The IRS recently announced the following cost-of-living adjusted limits for qualified retirement plans in 2026:

- Annual compensation limit used in calculating a participant's benefit accruals: increased to $360,000.
- Elective deferrals to Code Section 401(k) and 403(b) plans: increased to $24,500.
- Annual additions to a defined contribution plan: increased to $72,000.
- Catch-up contributions for employees aged 50 and over to Code Section 401(k) and 403(b) plans: increased to $8,000.
- "Super catch-up" contributions for employees aged 60, 61, 62, and 63 to Code Section 401(k) and 403(b) plans: remains unchanged at $11,250.
- Annual benefit limit for a defined benefit plan: increased to $290,000.
- Compensation dollar limit for defining a "key employee" in a top-heavy plan: increased to $235,000.
- Compensation dollar limit for defining a "highly compensated employee": remains unchanged at $160,000.

The above and other 2026 qualified retirement plan limits are available here.

© 2026 Haynes and Boone, LLP