

## Puerto Rico Treasury Announces Qualified Retirement Plan Limits for 2026

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February 24, 2026

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**PRACTICES** Employee Benefits and Executive Compensation

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The Puerto Rico Department of the Treasury recently issued the Internal Revenue Circular Letter No. 26-03 (the “**Circular**”), which announced the applicable qualified retirement plan limits for 2026, as required by the Puerto Rico Internal Revenue Code of 2011, as amended (the “**PR Code**”). Plan sponsors of dual-qualified plans and plans qualified solely in Puerto Rico should update their administrative processes and systems and relevant participant disclosures to reflect the 2026 limits. The applicable plan limits are as follows:

- Annual Benefit Limit (All Defined Benefit Plans): \$290,000 (increased from \$280,000).
- Annual Contribution Limit (All Defined Contribution Plans): \$72,000 (increased from \$70,000).
- Annual Compensation Limit (All Plans): \$360,000 (increased from \$350,000).
- Compensation Limit for a Highly Compensated Employee: \$160,000 (unchanged).
- Elective Deferrals Limit (Dual Qualified Plans or Federal Government Thrift Plan): \$24,500 (increased from \$23,500), but Puerto Rico participants in a dual qualified plan are subject to a \$22,500 annual cap on pre-tax deferrals pursuant to the PR Code.
- Elective Deferrals Limit (Puerto Rico-Only Plans): \$15,000 (unchanged).
- Catch-Up Contribution Limit (Federal Government Thrift Plan): \$8,000 (increased from \$7,500).
- Catch-Up Contribution Limit (Dual Qualified Plans or Puerto Rico-Only Plans): \$1,500 (unchanged).
- After-Tax Contribution Limit: ten percent (10%) of the employee’s aggregate compensation during the period he or she is a plan participant (unchanged).

View the Circular (in Spanish) [here](#).