2026 Cost of Living Adjustments

The Internal Revenue Code provides for dollar limitations on benefits and contributions under qualified retirement plans. Code §415 requires the limits to be adjusted annually for cost-of-living increases. The IRS announced on November 13, 2025, cost-of-living adjustments (COLAs) applicable to dollar limitations for pension plans and other items for tax year 2026.

Code	2026	2025	2024
IRAs			
IRA Contribution Limit	$7,500	$7,000	$7,000
IRA Catch-Up Contributions	$1,100	$1,000	$1,000
IRA Deductibility Phase-Out AGI			
Married Joint Filing	$129,000 - $149,000	$126,000 - $146,000	$123,000 - $143,000
Single or Head of Household	$81,000 - $91,000	$79,000 - $89,000	$77,000 - $87,000
SEP			
SEP Minimum Compensation	$800	$750	$750
SEP Maximum Compensation	$360,000	$350,000	$345,000
SIMPLE Plans			
SIMPLE Maximum Contributions	$17,000	$16,500	$16,000
Catch-Up Contributions (age 50 or over)	$4,000	$3,500	$3,500
Increased Catch-Up (age 50 or over)[1]	$3,850	$3,850	$3,850
Increased Catch-Up (ages 60-63)	$5,250	$5,250	
401(k), 403(b), Profit Sharing Plans, etc.			
Annual Compensation	$360,000	$350,000	$345,000
Elective Deferrals	$24,500	$23,500	$23,000
Catch-up Contributions (age 50 or over)	$8,000	$7,500	$7,500
Increased Catch-Up (ages 60-63)	$11,250	$11,250	
Defined Contribution Limits	$72,000	$70,000	$69,000
ESOP Limits	$1,455,000 $290,000	$1,415,000 $280,000	$1,380,000 $275,000
Other			
HCE Threshold	$160,000	$160,000	$155,000
Defined Benefit Limits	$290,000	$280,000	$275,000
Key Employee	$235,000	$230,000	$220,000
457 Elective Deferrals	$24,500	$23,500	$23,000
Control Employee - 1.61-21(f)(5)(i)	$145,000	$140,000	$135,000
Control Employee - 1.61-21(f)(5)(iii)	$290,000	$285,000	$275,000
Taxable Wage Base	$184,500	$176,100	$168,600
Roth Catch-Up Wage Threshold[2]	-	$150,000	$145,000

COLAs affect the contribution limits and operations of qualified retirement plans, simplified employee pension (SEP) plans and savings incentive match plans for employees of small employers (SIMPLE).

Section 415 of the Internal Revenue Code provides for dollar limitations on benefits and contributions under qualified retirement plans. It also requires that the Commissioner annually adjust these limits for cost-of-living increases.

[1] Applies to certain small and electing SIMPLE plans under IRC Sec. 414(v)(2)(B)(iii).
[2] 2025 wages are used to determine mandatory Roth catch-up requirements for 2026.

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