

Law & Policy Group

2026 quick benefit facts

Retirement plan limits

	2026	2025	2024
Qualified retirement plan limits			
401(k), 403(b) and eligible 457(e) elective deferrals	\$24,500	\$23,500	\$23,000
Catch-up contributions (age ≥ 50)*			
For employees ages 60-63	11,250	11,250	7,500
For all other employees	8,000	7,500	7,500
FICA wage threshold for Roth catch-up mandate†	150,000	145,000	145,000
Compensation limit	360,000	350,000	345,000
415 defined contribution annual limit	72,000	70,000	69,000
415 defined benefit maximum annuity	290,000	280,000	275,000
Highly compensated threshold‡	160,000	160,000	155,000
Traditional IRA limits			
IRA maximum deductible amount	\$7,500	\$7,000	\$7,000
IRA catch-up contributions (age ≥ 50)	1,100	1,000	1,000
PBGC premiums for single-employer plans			
Flat rate per participant	\$111	\$106	\$101
Variable rate per \$1,000 of unfunded vested benefits	52	52	52
Per-participant variable-rate cap	751	717	686
Social Security			
Taxable wage base	\$184,500	\$176,100	\$168,600
Cost-of-living adjustment	2.8%	2.5%	3.2%

* Different catch-up limits apply to SIMPLE plans.

† Employees are subject to the Roth catch-up mandate in 2026 if their 2025 FICA wages exceeded \$150,000.

‡ An employee may be an HCE for the 2027 plan year if their 2026 plan year compensation exceeds \$160,000.

Retirement plan limits

After applying statutory rounding rules, most key qualified plan retirement limits will increase in 2026. Only the highly compensated employee and “super” catch-up contribution limits for employees ages 60-63 will stay the same.

PBGC premiums

The 2026 single-employer flat-rate premium and per-participant variable-rate premium cap equal the 2025 amounts adjusted for one year’s wage inflation. The variable-rate premium is not subject to indexing after 2023.

Health and fringe benefit limits

	2026	2025	2024
Tax-free qualified transportation fringe benefits			
Monthly qualified parking, transit passes or commuter highway vehicle	\$340	\$325	\$315
Health flexible spending arrangement (FSA) and excepted-benefit health reimbursement arrangement (HRA) limits			
Health FSA salary reduction contribution	\$3,400	\$3,300	\$3,200
Health FSA carryover	680	660	640
Excepted-benefit HRA employer contribution	2,200	2,150	2,100
Health savings account (HSA) and high-deductible health plan (HDHP) limits			
Self-only coverage			
Tax-deductible/tax-free HSA contribution	\$4,400	\$4,300	\$4,150
HDHP minimum annual deductible	1,700	1,650	1,600
HDHP in-network out-of-pocket maximum	8,500	8,300	8,050
Family coverage			
Tax-deductible/tax-free HSA contribution	8,750	8,550	8,300
HDHP minimum annual deductible	3,400	3,300	3,200
HDHP in-network out-of-pocket maximum	17,000	16,600	16,100
HSA catch-up contributions (age ≥ 55)*	1,000	1,000	1,000
ACA nongrandfathered group health plan out-of-pocket maximums			
Self-only coverage (and embedded individual maximum in family coverage)	\$10,600	\$9,200	\$9,450
Family coverage	21,200	18,400	18,900
ACA play-or-pay assessments			
Not offering coverage	\$3,340	\$2,900	\$2,970
Offering coverage lacking minimum value or affordability	5,010	4,350	4,460
ACA monthly employee contribution limit for play-or-pay FPL affordability safe harbor (48 contiguous states and Washington, DC)			
Calendar-year plans	\$129.90	\$113.20	\$101.94
Noncalendar-year plans	129.90 [†]	117.64	105.29
ACA affordability percentages for employer coverage			
Top % of income for lowest-cost self-only coverage with minimum value	9.96%	9.02%	8.39%

Affordable Care Act (ACA) play-or-pay assessments

Employers that don't offer minimum essential health coverage to most ACA full-time employees face paying a monthly ACA assessment. The table shows annual amounts.

ACA monthly employee contribution limit for play-or-pay federal-poverty-line (FPL) affordability safe harbor

Adjusted amounts for the ACA's play-or-pay FPL safe harbor apply on a plan-year, not calendar-year, basis. Noncalendar-year plans use the 2025 level of \$117.64 per month to determine FPL affordability until their 2026 plan years start.

ACA affordability percentages for employer coverage

To receive subsidized public exchange coverage, an individual's cost for the employer's lowest-cost, self-only coverage with minimum value can't exceed an indexed percentage of household income. The three affordability safe harbors (W-2, rate of pay or FPL) have the same indexing formula.

* The HSA catch-up contribution limit is not adjusted annually.

† Assuming HHS announces the 2026 FPLs in January (as typically occurs), noncalendar year plans that start in February–July 2026 may use either the 2025 FPL-based safe-harbor amount or a likely greater dollar amount based on the 2026 FPL. However, waiting until the 2026 FPL is announced may be impracticable for some plans.