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2026 Social Security, PBGC, projected covered compensation figures

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In this article

[Social Security and Supplemental Security Income \(SSI\) amounts](#) | [PBGC premiums, guaranteed benefits and maximum present value](#) | [Projected covered compensation](#) | [Related resources](#)

Social Security benefits payable will increase by 2.8% in 2026, the Social Security Administration (SSA) [announced](#) on Oct. 24 in updates that include the 2026 [taxable wage base](#) and the 2024 [national average wage](#). The Pension Benefit Guaranty Corp. (PBGC) released its inflation-indexed 2026 [premium amounts](#), [maximum guaranteed benefit](#) for single-employer pension plans and [present value of the maximum guarantee](#). IRS has not yet issued 2026 covered compensation amounts, but Mercer has projected those figures using the published taxable wage base.

Social Security and Supplemental Security Income (SSI) amounts

The 2.6% cost-of-living increase for 2026 Social Security benefits reflects the change in the third-quarter Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from 2024 to 2025. Other 2026 Social Security amounts are tied to the 4.84% increase in [average annual wages](#) from 2023 to 2024. The following table shows key Social Security values for 2024–2026 from SSA’s 2026 [fact sheet](#) and [automatic determinations](#) webpage.

Social Security and SSI values	2026	2025	2024
Cost-of-living increase	2.8%	2.5%	3.2%
Average annual wage (second preceding year)	\$69,846.57	\$66,621.80	\$63,795.13
OASDI contribution and benefit base (wage base)	184,500	176,100	168,600
“Old law” contribution and benefit base	137,100	130,800	125,100

Social Security and SSI values	2026	2025	2024
Retirement earnings test exempt amount (annual)			
Under full retirement age (full year)	\$24,480	\$23,400	\$22,320
Year individual attains full retirement age (period before attaining full retirement age)			
	65,160	62,160	59,520
Wages needed for a quarter of coverage	1,890	1,810	1,730
Disability thresholds (monthly amounts)			
Substantial gainful activity — not blind	1,690	1,620	1,550
Substantial gainful activity — blind	2,830	2,700	2,590
Trial work period	1,210	1,160	1,110
Coverage thresholds for:			
Domestic employees	3,000	2,800	2,700
Election workers	2,500	2,400	2,300
Bend-points — primary insurance amount (PIA) formula applied to average indexed monthly earnings (AIME)			
90% of AIME up to	1,286	1,226	1,174
32% of AIME over first bend-point up to	7,749	7,391	7,078
15% of AIME over second bend-point			
Bend-points — maximum family benefit formula applied to worker's PIA			
150% of PIA up to	1,643	1,567	1,500
272% of PIA over first bend-point up to	2,371	2,262	2,166
134% of PIA over second bend-point up to	3,093	2,950	2,825
175% of PIA over third bend-point			
SSI federal payment standard (monthly amounts)			
Individual	994	967	943
Couple	1,491	1,450	1,415
SSI student exclusion limits			
Monthly limit	2,410	2,350	2,290
Annual limit	9,730	9,460	9,230

PBGC premiums, guaranteed benefits and maximum present value

On Oct. 27, PBGC [announced](#) inflation-adjusted 2026 premium rates and the variable-rate premium cap. With the exception of the variable rate premium, all premium amounts — including the per-participant variable-rate premium cap — are indexed annually for wage inflation.

On Oct. 30, PBGC [announced](#) that the maximum guaranteed benefit at age 65 for terminating plans will rise to \$93,477 in 2026 from \$89,181 in 2025. This amount is determined using the Social Security “old law” contribution and benefit base (see [Social Security and SSI amounts](#)). The maximum guaranteed benefit is adjusted if benefit payments start before (or after) age 65 or are paid in a form other than a single-life annuity. Some of the guaranteed amount may be paid from the plan’s assets, and participants may receive more if the plan is better funded or if PBGC can recover other amounts from the plan sponsor.

PBGC amount	2026	2025	2024
Flat-rate premium — single-employer plans	\$111	\$106	\$101
Flat-rate premium — multiemployer plans	40	39	37
Variable-rate premium per \$1,000 of unfunded vested benefits*	52	52	52
Per-participant variable-rate premium cap	751	717	686
Annual maximum guaranteed benefit (payable as a single-life annuity starting at age 65)	93,477	89,181	85,295

*Not indexed after 2023

On Nov. 10, PBGC [published](#) the 2026 present value of the maximum guarantee table. These values are used to administer Internal Revenue Code (IRC) [Section 436](#) restrictions on lump sums and other accelerated payments from underfunded plans. Plans at least 60% but less than 80% funded may only pay lump sums (or other accelerated distributions) up to the lesser of (i) 50% of the present value of the benefit otherwise payable or (ii) the present value of the participant’s PBGC maximum guarantee. Plans subject to the restrictions must use the 2026 table for annuity starting dates in 2026, regardless of the plan year.

The present values will fall from 2025 levels at younger ages but will increase at ages 62 and older. The higher age-65 maximum guaranteed benefit and the update in the [Section 417\(e\)](#) mortality table raised the present values by roughly 5% across the board. Offsetting this increase, the change in interest rates (August 2025 IRC Section 417(e) lump sum segment rates of 4.20%, 5.29% and 6.08% vs. the August 2024 rates of 4.50%, 4.96% and 5.40%) reduced present values significantly at younger ages (where the impact of the first segment rate was less) and to a much lesser extent at older ages.

The next table shows the present values for 2026 and 2025. [Tables](#) of present values dating back to 2008 are available on the PBGC website, along with downloadable Excel tables.

Age	Present value of PBGC maximum guarantee		Age	Present value of PBGC maximum guarantee		Age	Present value of PBGC maximum guarantee	
	2026*	2025†		2026*	2025†		2026*	2025†
25	\$160,350	\$164,956	45	\$370,339	\$374,305	65	\$1,137,547	\$1,116,784
26	168,005	172,721	46	397,142	400,909	66	1,223,994	1,199,709
27	175,600	180,415	47	423,349	426,839	67	1,315,433	1,287,277
28	183,138	188,031	48	448,916	452,042	68	1,421,276	1,388,641
29	190,610	195,566	49	473,787	476,474	69	1,539,553	1,501,836
30	198,013	203,015	50	497,919	500,082	70	1,668,229	1,624,838
31	205,343	210,371	51	521,256	522,813	71	1,889,167	1,837,211
32	212,593	217,629	52	543,753	544,625	72	2,092,266	2,031,689
33	219,757	224,780	53	565,356	571,690	73	2,277,003	2,207,850
34	226,833	231,825	54	586,001	604,345	74	2,442,935	2,365,388
35	233,810	238,749	55	612,778	638,666	75	2,589,858	2,504,203
36	248,446	253,470	56	651,870	674,819	76	3,045,515	2,940,835
37	262,908	267,977	57	694,292	713,005	77	3,456,011	3,332,864
38	277,183	282,258	58	736,842	753,304	78	3,821,272	3,680,458
39	291,253	296,294	59	783,030	795,895	79	4,141,716	3,984,215
40	305,100	310,069	60	831,933	840,960	80	4,418,123	4,245,063
41	318,710	323,563	61	887,255	890,119	81	5,539,450	5,316,372
42	332,059	336,755	62	953,870	941,946	82	6,530,488	6,260,508
43	345,129	349,626	63	1,018,968	1,003,605	83	7,395,572	7,082,278
44	357,894	362,150	64	1,080,326	1,062,318	84	8,136,185	7,783,635
						85	8,759,341	8,371,800

* Present value determined using August 2025 lump sum segment rates of 4.20%, 5.29% and 6.08%.

† Present value determined using August 2024 lump sum segment rates of 4.50%, 4.96% and 5.40%.

Projected covered compensation

Qualified defined benefit (DB) pension plans use covered compensation to determine “permitted disparity” under Section 401(l) design-based safe harbor rules and “imputed disparity” under Section 401(a)(4) general nondiscrimination testing rules. Covered compensation is the average Old-Age, Survivors and Disability Insurance (OASDI) contribution and benefit base for the 35 years ending with the year the employee reaches Social Security retirement age. Qualified plans have the option to determine permitted or imputed disparity using either actual or rounded covered compensation.

IRS has not yet issued 2026 covered compensation tables, but Mercer has projected these amounts based on the increase in the taxable wage base to \$184,500 for 2026 from \$176,100 for 2025. The table below shows covered compensation amounts for individuals who have already reached Social Security full retirement age. (At that age, covered compensation becomes fixed and is no longer affected by annual changes in the OASDI contribution and benefit base.)

Year born	Social Security full retirement		Covered compensation	
	Age	Year	Not rounded	Rounded
1920	65	1985	\$12,276	\$12,000
1921	65	1986	13,368	12,000
1922	65	1987	14,520	15,000
1923	65	1988	15,708	15,000
1924	65	1989	16,968	18,000
1925	65	1990	18,312	18,000
1926	65	1991	19,728	21,000
1927	65	1992	21,192	21,000
1928	65	1993	22,716	24,000
1929	65	1994	24,312	24,000
1930	65	1995	25,920	27,000
1931	65	1996	27,576	27,000
1932	65	1997	29,304	30,000
1933	65	1998	31,128	30,000
1934	65	1999	33,060	33,000
1935	65	2000	35,100	36,000
1936	65	2001	37,212	36,000
1937	65	2002	39,444	39,000
1938	65 & 2 months	2004	43,992	45,000

Year born	Social Security full retirement		Covered compensation	
	Age	Year	Not rounded	Rounded
1939	65 & 4 months	2005	46,344	45,000
1940	65 & 6 months	2006	48,816	48,000
1941	65 & 8 months	2007	51,348	51,000
1942	65 & 10 months	2008	53,952	54,000
1943	66	2009	56,628	57,000
1944	66	2010	59,268	60,000
1945	66	2011	61,884	63,000
1946	66	2012	64,560	66,000
1947	66	2013	67,308	66,000
1948	66	2014	69,996	69,000
1949	66	2015	72,636	72,000
1950	66	2016	75,180	75,000
1951	66	2017	77,880	78,000
1952	66	2018	80,532	81,000
1953	66	2019	83,244	84,000
1954	66	2020	86,052	87,000
1955	66 & 2 months	2022	91,884	93,000
1956	66 & 4 months	2023	95,172	96,000
1957	66 & 6 months	2024	98,616	99,000
1958	66 & 8 months	2025	102,180	102,000
1959	66 & 10 months	2026	105,924	105,000

The next table shows Mercer’s projected 2026 amounts for individuals below Social Security full retirement age.

Year born	Social Security full retirement		Covered compensation			
	Age	Year	Not rounded		Rounded	
			2026*	2025	2026*	2025
1960	67	2027	\$109,620	\$109,140	\$111,000	\$108,000
1961	67	2028	113,244	112,524	114,000	114,000
1962	67	2029	116,784	115,824	117,000	117,000
1963	67	2030	120,300	119,100	120,000	120,000
1964	67	2031	123,780	122,340	123,000	123,000
1965	67	2032	127,188	125,508	126,000	126,000
1966	67	2033	130,500	128,580	132,000	129,000
1967	67	2034	133,704	131,544	135,000	132,000
1968	67	2035	136,800	134,400	138,000	135,000
1969	67	2036	139,764	137,124	141,000	138,000
1970	67	2037	142,620	139,740	144,000	141,000
1971	67	2038	145,404	142,284	144,000	141,000
1972	67	2039	148,164	144,804	147,000	144,000
1973	67	2040	150,864	147,264	150,000	147,000
1974	67	2041	153,444	149,604	153,000	150,000
1975	67	2042	155,928	151,848	156,000	153,000
1976	67	2043	158,280	153,960	159,000	153,000
1977	67	2044	160,500	155,940	162,000	156,000
1978	67	2045	162,720	157,920	162,000	159,000
1979	67	2046	164,940	159,900	165,000	159,000
1980	67	2047	167,064	161,784	168,000	162,000
1981	67	2048	169,092	163,572	168,000	165,000
1982	67	2049	171,024	165,264	171,000	165,000
1983	67	2050	172,908	166,908	174,000	168,000
1984	67	2051	174,792	168,552	174,000	168,000
1985	67	2052	176,424	169,944	177,000	171,000
1986	67	2053	178,032	171,312	177,000	171,000

Year born	Social Security full retirement		Covered compensation			
	Age	Year	Not rounded		Rounded	
			2026*	2025	2026*	2025
1987	67	2054	\$179,508	\$172,548	\$180,000	\$174,000
1988	67	2055	180,840	173,640	180,000	174,000
1989	67	2056	182,040	174,600	183,000	174,000
1990	67	2057	183,108	175,428	183,000	176,100
1991	67	2058	183,804	175,884	184,500	176,100
1992	67	2059	184,260	176,100	184,500	176,100
1993+	67	2060+	184,500		184,500	

* Projected

Related resources

Non-Mercer resources

- [Present value of PBGC maximum guarantee](#) (PBGC, Nov. 10, 2025)
- [Maximum guaranteed benefit tables](#) (PBGC, Oct. 30, 2025)
- [Premium rates for 2026 and earlier years](#) (PBGC, Oct. 27, 2025)
- [Press release on Social Security COLA for 2026](#) (SSA, Oct. 24, 2025)
- [Automatic determinations](#) (SSA)

Mercer Law & Policy resource

- [Quick benefit facts and COLA resources for benefit plans](#) (2021–2025)

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