

Law & Policy Group

# 2026 quick benefit facts

## Retirement plan limits

|   | 2026      | 2025      | 2024      |
|---|-----------|-----------|-----------|
| <b>Qualified retirement plan limits</b>               |           |           |           |
| 401(k), 403(b) and eligible 457(e) elective deferrals | \$24,500  | \$23,500  | \$23,000  |
| <i>Catch-up contributions (age ≥ 50)*</i>             |           |           |           |
| 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   |
| <b>Traditional IRA limits</b>                         |           |           |           |
| IRA maximum deductible amount                         | \$7,500   | \$7,000   | \$7,000   |
| IRA catch-up contributions (age ≥ 50)                 | 1,100     | 1,000     | 1,000     |
| <b>PBGC premiums for single-employer plans</b>        |           |           |           |
| 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       |
| <b>Social Security</b>                                |           |           |           |
| Taxable wage base                                     | \$184,500 | \$176,100 | \$168,600 |
| Cost-of-living adjustment                             | 2.8%      | 2.5%      | 3.2%      |

### 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.

\* Different catch-up limits apply to SIMPLE plans.

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

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

## Health and fringe benefit limits

|  | 2026     | 2025     | 2024     |
|--|----------|----------|----------|
| <b>Tax-free qualified transportation fringe benefits</b>   |          |          |          |
| Monthly qualified parking, transit passes or commuter highway vehicle  | \$340    | \$325    | \$315    |
| <b>Health flexible spending arrangement (FSA) and excepted-benefit health reimbursement arrangement (HRA) limits</b>                   |          |          |          |
| 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    |
| <b>Health savings account (HSA) and high-deductible health plan (HDHP) limits</b>  |          |          |          |
| <i>Self-only coverage</i>  |          |          |          |
| 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    |
| <i>Family coverage</i>   |          |          |          |
| 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    |
| <b>ACA nongrandfathered group health plan out-of-pocket maximums</b>   |          |          |          |
| Self-only coverage (and embedded individual maximum in family coverage)  | \$10,600 | \$9,200  | \$9,450  |
| Family coverage  | 21,200   | 18,400   | 18,900   |
| <b>ACA play-or-pay assessments</b>   |          |          |          |
| Not offering coverage  | \$3,340  | \$2,900  | \$2,970  |
| Coverage lacking minimum value or affordability  | 5,010    | 4,350    | 4,460    |
| <b>ACA monthly employee contribution limit for play-or-pay FPL affordability safe harbor (48 contiguous states and Washington, DC)</b> |          |          |          |
| Calendar-year plans  | \$129.90 | \$113.20 | \$101.94 |
| Noncalendar-year plans   | 132.47   | 117.64   | 105.29   |
| <b>ACA affordability percentages for employer coverage</b>   |          |          |          |
| Top % of income for lowest-cost self-only coverage with minimum value  | 9.96%    | 9.02%    | 8.39%    |

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

### 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.