

November 14, 2025

## IRS Publishes 2026 Pension Plan Limits

The IRS recently announced the cost-of-living adjustments applicable to certain dollar limits for employee pension benefit plans for 2026. The resulting dollar limits are as follows:

- The annual benefit limit for defined benefit plans is increased from \$280,000 to \$290,000.
- The annual addition limit for defined contribution plans is increased from \$70,000 to \$72,000.
- The annual limit with respect to the exclusion for elective deferrals to a 401(k), 403(b) or 457(b) plan is increased from \$23,500 to \$24,500.
- The dollar limit for age 50 catch-up contributions to a 401(k), 403(b) or government 457(b) plan is increased from \$7,500 to \$8,000. The dollar limit for age 60, 61, 62 or 63 catch-up contributions to a 401(k), 403(b) or government 457(b) plan remains unchanged at \$11,250.
- The Roth catch-up wage threshold, which is used to determine whether an individual's catch-up contributions to an applicable employer plan must be designated as Roth contributions, is increased from \$145,000 to \$150,000.
- The limit on annual contributions to an individual retirement arrangement (IRA) is increased from \$7,000 to \$7,500. The dollar limit for age 50 catch-up contributions to an IRA is increased from \$1,000 to \$1,100.
- The limit on annual contributions to SIMPLE plans and SIMPLE IRAs is increased from \$16,500 to \$17,000. The dollar limit for age 50 catch-up contributions to SIMPLE plans and SIMPLE IRAs is increased from \$3,500 to \$4,000. The dollar limit for age 60, 61, 62 or 63 catch-up contributions to SIMPLE plans and SIMPLE IRAs remains unchanged at \$5,250.
- The annual limit on compensation that can be taken into account under a qualified retirement plan is increased from \$350,000 to \$360,000.
- The dollar limit for defining key employees in a top-heavy plan is increased from \$230,000 to \$235,000.
- The dollar amount for determining the maximum account balance in an employee stock ownership plan subject to a five-year distribution period is increased from \$1.415 million to \$1.455 million. The dollar amount used to determine the lengthening of the five-year distribution period is increased from \$280,000 to \$290,000.
- The dollar amount limit used in the definition of "highly compensated employee" remains unchanged at \$160,000.

[A complete list of applicable pension plan dollar limits can be found here.](#)

If you have any questions about the cost-of-living adjustments or any other employee benefits or executive compensation matter, please contact a member of Day Pitney's Employee Benefits and Executive Compensation practice group.

## Authors



**Brendan J. Butler**  
Counsel

Hartford, CT | (860) 275-0277  
bbutler@daypitney.com



**Thomas F. J. O'Mullane**  
Partner

Parsippany, NJ | (973) 966-8413  
tomullane@daypitney.com



**David P. Doyle**  
Partner

Parsippany, NJ | (973) 966-8136  
ddoyle@daypitney.com