



2026 Retirement Plan Limits

Type of Limitation	Application of Limit	2026	2025	2024	2023	2022	2021
Maximum Considered Compensation	Plan Year Beginning in	\$360,000	\$350,000	\$345,000	\$330,000	\$305,000	\$290,000
IRC 415 Annual Additions Maximum (DC Plans)	Plan Year Ending in	\$72,000	\$70,000	\$69,000	\$66,000	\$61,000	\$58,000
IRC 415 Maximum Benefit (DB Plans)		\$290,000	\$280,000	\$275,000	\$265,000	\$245,000	\$230,000
Highly Compensated Employee Definition. Compensation <u>Above</u> :	Beginning of "Look-Back" Year	\$160,000	\$160,000	\$155,000	\$150,000	\$135,000	\$130,000
Key Employee – Officer & Compensation <u>Above</u> :		\$235,000	\$230,000	\$220,000	\$215,000	\$200,000	\$185,000
Key Employee – more-than-1% Owner & Compensation <u>Above</u> :	Beginning of "Look-Back" Year (Not COLA adjusted)	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Highly Paid Individual (HPI) – Compensation <u>Above</u> :	Beginning of "Look-Back" Year	TBD	\$150,000	N/A	N/A	N/A	N/A
Social Security Taxable Wage Base	Plan Year Beginning in	\$184,500	\$176,100	\$168,600	\$160,200	\$147,000	\$142,800

Deferral Limits

Type of Limitation	Application of Limit	2026	2025	2024	2023	2022	2021
401(k) Plan – Base 402(g) Maximum	Calendar Year	\$24,500	\$23,500	\$23,000	\$22,500	\$20,500	\$19,500
401(k) Plan – Standard Catch-up Contribution		\$8,000	\$7,500	\$7,500	\$7,500	\$6,500	\$6,500
401(k) Plan – Catch-up Attained Age: 60, 61, 62, 63		\$11,250	\$11,250	N/A	N/A	N/A	N/A
SIMPLE-IRA – Base Maximum		\$17,000	\$16,500	\$16,000	\$15,500	\$14,000	\$13,500
SIMPLE-IRA – Catch-up Contribution		\$4,000	\$3,500	\$3,500	\$3,500	\$3,000	\$3,000

Benetech, Inc. does not provide tax or legal advice. The above overview of qualified retirement plan limits is provided for general information purposes only, and should not be construed as advice regarding legal or tax issues.

2026 Retirement Plan Limits

Type of Limitation	2026 Limits*	Explanation	Examples
Maximum Considered Compensation** (Per Plan Year)	\$360,000	Plan year compensation for a participant in excess of this amount is disregarded for plan purposes.	A participant has \$400,000 of total compensation for the 2026 plan year. The company makes a matching contribution capped at 4% of compensation deposited each pay period. The matching contribution for this participant may not exceed \$14,400 for the plan year (4% x \$360,000).
Participant Contribution Limit in a 401(k), Profit Sharing, or other DC Plan (IRC §415) (Per Plan Year)	The lesser of: <ul style="list-style-type: none"> \$72,000; or 100% of compensation 	The aggregate of all contributions for a participant (e.g., deferral, match, profit sharing, etc.) cannot exceed this limit. This limit does not include catch-up deferrals.	<ol style="list-style-type: none"> A participant under age 50 with \$200,000 of total compensation for a plan year with deferrals of \$24,500 may be allocated an additional profit sharing contribution up to \$47,500 (\$24,500 + \$47,500 = \$72,000) Same as participant in 1 above, except that total compensation is \$50,000. The profit sharing contribution would be limited to \$25,500 (\$24,500 + \$25,500 = \$50,000). <p>In both examples, a participant may be limited from receiving their maximum contributions due to the plan's deductible contribution limit (IRC§404).</p>
Participant Deferral Basic Deferral Limit (Per Calendar Year)	\$24,500 (Aggregate of pre-tax deferrals and ROTH deferrals)	This is the basic deferral limit for all participants. The Plan's document may also have a limit on the % of compensation allowable for deferrals.	A participant with at least \$24,500 of total compensation could defer up to \$24,500 from their compensation. However, limits imposed by the plan document to account for employee Social Security Tax and other withholdings usually preclude participants from deferring 100% of their compensation. Refer to your adoption agreement for the maximum allowable percentage of compensation a participant may defer to the plan.
Participant Deferral Catch-up Contributions (Per Calendar Year)	\$8,000	An additional deferral amount available for participants age 50 or older in the current plan year. Allows such participants to defer up to \$31,000 (\$24,500 + \$8,000 = \$32,500).	A participant, age 50 or older, with at least \$32,500 of total compensation could defer up to \$32,500 from their compensation. However, limits imposed by the plan document to account for employee Social Security Tax and other withholdings usually preclude participants from deferring 100% of their compensation. Refer to your adoption agreement for the maximum allowable percentage of compensation a participant may defer to the plan.
Participant Deferral "Super" Catch-up Contributions (Per Calendar Year)	\$11,250 <small>(Only applicable to participants who attain age 60, 61, 62, or 63 during the calendar year. The year in which a participant attains age 64 they are no longer eligible. This is <u>not</u> in addition to the \$8,000 amount)</small>	An additional deferral amount available for participants who attain ages 60, 61, 62, or 63 in the current plan year. Allows such participants to defer up to \$35,750 (\$24,500 + \$11,250 = \$35,750).	A participant, who attains age 60, 61, 62 or 63 in 2026, with at least \$35,750 of total compensation could defer up to \$35,750 from their compensation. However, limits imposed by the plan document to account for employee Social Security Tax and other withholdings usually preclude participants from deferring 100% of their compensation. Refer to your adoption agreement for the maximum allowable percentage of compensation a participant may defer to the plan.
Highly Paid Individual (HPI) <small>(Compensation for an HPI is based the prior calendar year FICA wages)</small>	TBD – Not yet released by IRS	HPI determination using the dollar threshold is based on FICA Wages (Box 3 of W-2) paid in the prior calendar year .	In 2026, a participant age 50 or older, with more than \$150,000 in FICA Wages in the 2025 calendar year, may only contribute Catch-up Contributions as Roth Contributions in the 2026 calendar year.
Highly Compensated Employee (HCE) <small>(Compensation for an HCE is based on the prior plan year)</small>	<ul style="list-style-type: none"> More than \$160,000 in the prior plan year; or More-than-5% direct or indirect owner of the company 	HCE determination using the dollar threshold is based on compensation paid in the prior plan year . Indirect Owners are certain relatives of owner (e.g., spouse, child, parents, etc.)	<ol style="list-style-type: none"> A participant who makes \$140,000 in the 2026 plan year but made more than \$160,000 in 2025 (the prior plan year) <u>is</u> an HCE in the 2026 plan year. A participant who makes more than \$160,000 in the 2026 plan year but made \$125,000 in the prior year is <u>NOT</u> an HCE in the 2026 plan year, unless they are more than a 5% direct or indirect owner.
Key Employee <small>(Compensation for a Key Employee is based on the prior plan year)</small>	<ul style="list-style-type: none"> A more-than-5% owner of the company Certain relatives of the above (e.g., spouse, children, parents, etc.) An officer with compensation greater than \$230,000 in the prior plan year. A more-than-1% owner with compensation greater than \$150,000 in the prior plan year. 	Used in certain plan determinations and testing, specifically Top Heavy Determination which considers benefits due to key employees. A plan is Top Heavy if more than 60% of the benefits due from all plans sponsored by the Employer belong to key employees. Any more-than-5% direct or indirect owner is also an HCE.	<ol style="list-style-type: none"> The spouse of a 25% owner of the business is an employee of the business with annual compensation of \$50,000. The spouse is a Key Employee and also an HCE. The child of a 25% owner of the business is an employee of the business with annual compensation of \$15,000. The child is a Key Employee and also an HCE. An officer of the company with no ownership and compensation greater than \$230,000 in 2025 is a Key Employee and also an HCE in the 2026 plan year.
Defined Benefit Maximum Annual Benefit At Retirement (IRC §415) (individual Limit)	The lesser of: <ul style="list-style-type: none"> \$290,000; or 100% of the average of the highest three consecutive year annual compensation. 	This is the annual benefit payable at retirement that may be funded for in a DB or Cash Balance plan. A participant's 415 limit will supersede the plan's formula, if the plan's formula would produce a benefit greater than the 415 limit.	<ol style="list-style-type: none"> Participant has established a high consecutive three year average compensation of \$290,000 and has 10 years of participation in a DB or Cash Balance plan. The plan may fund for an annual benefit for that participant of up to \$290,000 per year beginning at the plan's retirement age. Participant has established a high consecutive three year average compensation of \$100,000 and has 10 years of participation in a DB or Cash Balance plan. The plan may fund for an annual benefit for that participant of up to \$100,000 per year beginning at the plan's retirement age.

* Dollar limits assume a 12/31 plan year end, and are indexed.

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**Compensation for this purpose is total gross wages or self-employment income (partners; sole props; etc.) for the plan year.