

## EMPLOYMENT &amp; BENEFITS

## ANNUAL LIMITATIONS

Effective as of January 1, 2026

LIMIT	2026		2025		2024	
<b>Elective Deferrals</b>						
IRC Section: 402(g)(1); 457(e)(15); 408(p)(2)(E)						
401(k), 403(b), 457(b), and SEPs	\$24,500		\$23,500		\$23,000	
SIMPLE Plans	\$17,000		\$16,500		\$16,000	
<b>Catch-up Contributions (age 50 and older)*</b>						
IRC Section: 414(v)(2)(B)(i) & (ii), 414(v)(7)(A)						
401(k), 403(b), Governmental 457(b), and SEPs	\$8,000		\$7,500		\$7,500	
SIMPLE Plans	\$4,000		\$3,500		\$3,500	
Roth catch-up threshold (prior year FICA wages)**	\$150,000		\$145,000		N/A	
<b>Annual Compensation Limit</b>						
IRC Section: 401(a)(17); 404(l)						
General Limit	\$360,000		\$350,000		\$345,000	
Certain Governmental Plans	\$535,000		\$520,000		\$505,000	
<b>Limitations on Benefits and Contributions</b>						
IRC Section: 415(b)(1)(A); 415(c)(1)(A)						
Defined Contribution Plans	\$72,000		\$70,000		\$69,000	
Defined Benefit Plans	\$290,000		\$280,000		\$275,000	
<b>"Highly Compensated Employee" Definition</b>						
IRC Section: 414(q)(1)(B)	\$160,000		\$160,000		\$155,000	
<b>"Key Employee" / "Officer," Top-Heavy Plans</b>						
IRC Section: 416(i)(1)(A)(i)	\$235,000		\$230,000		\$220,000	
<b>Pension-Linked Emergency Savings Accounts</b>						
IRC 402A(e)(3)(A)(i)	\$2,600		\$2,500		\$2,500	
<b>PBGC Guaranteed Annual Benefit</b>						
(single life annuity payable at age 65; rounded)	\$93,477		\$89,182		\$85,295	
<b>SEP Coverage</b>						
IRC Section: 408(k)(2)(C); 408(k)(3)(C)						
Minimum/Maximum Compensation	\$800/\$360,000		\$750/\$350,000		\$750/\$345,000	
<b>Health Savings Accounts (HSAs)</b>	Single	Family	Single	Family	Single	Family
Maximum Annual Contributions	\$4,400	\$8,750	\$4,300	\$8,550	\$4,150	\$8,300
Minimum Deductible	\$1,700	\$3,400	\$1,650	\$3,300	\$1,600	\$3,200
Maximum Out-of-Pocket	\$8,500	\$17,000	\$8,300	\$16,600	\$8,050	\$16,100
Catch-up Contribution (age 55 and older)	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
<b>Qualified Small Employer Health Reimbursement Arrangements (QSEHRAs)</b>	Single	Family	Single	Family	Single	Family
Maximum Annual Reimbursements	\$6,450	\$13,100	\$6,350	\$12,800	\$6,150	\$12,450
<b>Excepted Benefit Health Reimbursement Arrangements***</b>						
Maximum Annual Reimbursements	\$2,200		\$2,150		\$2,100	

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LIMIT	2026	2025	2024
<b>Health Care Flexible Spending Account Maximum (per employee per unrelated employer)</b>			
Salary Reduction Contributions	\$3,400	\$3,300	\$3,200
Carry-over to Next Plan Year	\$680	\$660	\$640
<b>Dependent Care Assistance Maximum</b>			
Per Household	\$7,500	\$5,000	\$5,000
Married Filing Separately	\$3,750	\$2,500	\$2,500
<b>Qualified Transportation Fringe (Monthly)</b>			
Parking and Mass Transit Pass/Vanpool	\$340	\$325	\$315
<b>Adoption Assistance Programs</b>			
Maximum Exclusion per Child	\$17,670	\$17,280	\$16,810
Phase-Out Floor	\$265,080	\$259,190	\$252,150
Phase-Out Ceiling	\$305,080	\$299,190	\$292,150
<b>Long-Term Care Deductible Premiums</b>			
Age 40 and younger	\$500	\$480	\$470
Age 41 to 50	\$930	\$900	\$880
Age 51 to 60	\$1,860	\$1,800	\$1,760
Age 61 to 70	\$4,960	\$4,810	\$4,710
Over age 70	\$6,200	\$6,020	\$5,880
<b>Total FICA Tax (Combined OASDI and HI Portions)</b>			
Employees and Employers, each	7.65%****	7.65%****	7.65%****
<b>FICA Taxes (HI Portion)</b>			
Employees and Employers, each (all wages)	1.45%****	1.45%****	1.45%****
<b>Social Security Tax (OASDI Portion)</b>			
Employees and Employers, each	6.2%	6.2%	6.2%
Wage Base	\$184,500	\$176,100	\$168,600

\*For individuals who attain 60-63 in 2026, the catch-up contribution limit remains \$11,250 for most 401(k), 403(b), governmental 457(b) plans, and SEPs, and \$5,250 for SIMPLE plans.

\*\*Effective January 1, 2026, individuals who earned in excess of the wage threshold in the prior year from an employer must make catch-up contributions to an applicable employer plan (other than a plan described in Section 408(k) or (p)) as designated Roth contributions. Applicable wages are an individual's prior year wages as defined under IRC 3121(a). See IRC 414(v)(7), 90 Fed. Reg. 44527.

\*\*\*Effective January 1, 2020, an Excepted Benefit HRA can be used to reimburse the costs of certain §213(d) medical expenses for eligible employees.

\*\*\*\*Higher-income employees will be subject to an additional 0.9% Medicare tax on wages in excess of threshold amounts based on filing status as listed in the table below. Employers are required to withhold the 0.9% Medicare tax on wages paid to an employee in excess of \$200,000 without regard to filing status.

FILING STATUS	THRESHOLD AMOUNT
Married filing jointly	\$250,000
Married filing separately	\$125,000
Single; Head of Household (with qualifying person); or Qualifying widow(er) with dependent child	\$200,000

For more information on the application of these limitations, please contact any of the following members of our Benefits practice:

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