

IRS Announces Increases in Benefit Plan Limits for 2026

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The Internal Revenue Service (IRS) recently announced Revenue Procedure 2025-32, which details certain dollar limitations for over 60 tax provisions in 2026, including qualified retirement plans, health savings accounts (HSA), and high deductible health plans (HDHP). [View the 2026 Contributions Limits Chart](#) to see specific amounts and how they changed. Notably, Dependent Care FSAs see their first increase in 40 years from \$5,000 to \$7,500 (married filing jointly or single parent).



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QUALIFIED RETIREMENT CONTRIBUTION LIMITS			
Limitation	2026	2025	2024
Total 401(k) and 403(b) Elective Deferrals	\$24,500	\$23,500	\$23,000
401(k) and 403(b) Catch-Up (≥ 50 but < 60) ¹	\$8,000	\$7,500	\$7,500
401(k) and 403(b) Catch-Up (≥ 60 but ≤ 63) ¹	\$11,250	\$11,250	
457(b)(2) and 457(c)(1) Limits	\$24,500	\$23,500	\$23,000
Defined Benefit Maximum	\$290,000	\$280,000	\$275,000
Defined Contribution Maximum	\$72,000	\$70,000	\$69,000
Annual Compensation Limit	\$360,000	\$350,000	\$345,000
Highly Compensated Employee Threshold	\$160,000	\$160,000	\$155,000
Key Employee Threshold	\$235,000	\$230,000	\$220,000
Social Security Wage Base	\$184,500	\$176,100	\$168,600
SIMPLE IRA (≤ 49)	\$17,000	\$16,500	\$16,000
SIMPLE IRA with Catch-up (≥ 50 but < 60)	\$21,000	\$20,000	\$19,500
SIMPLE IRA with Catch-up (≥ 60 but ≤ 63)	\$22,250	\$21,750	
SEP IRA (Employee Contributions Only)	< 25% comp. or \$72,000	< 25% comp. or \$70,000	< 25% comp. or \$69,000
Total IRA Contributions (≤ 49)	\$7,500	\$7,000	\$7,000
Total IRA Contributions with Catch-up (≥ 50)	\$8,600	\$8,000	\$8,000
Pension-linked Emergency Savings Accounts	\$2,600	\$2,500	—

¹Participants who had more than \$150,000 of FICA wages in 2025 will be required to make catch-up contributions as designated Roth contributions in 2026.

HEALTH AND WELFARE CONTRIBUTION LIMITS			
Limitation	2026	2025	2024
Annual HSA Contribution Limit	\$4,400 single \$8,750 family	\$4,300 single \$8,550 family	\$4,150 single \$8,300 family
HSA Catch-up Contribution (≥ 55)	\$1,000	\$1,000	\$1,000
HDHP Minimum Annual Deductible	\$1,700 single \$3,400 family	\$1,650 single \$3,300 family	\$1,600 single \$3,200 family
HDHP In-Network Out-of-Pocket Maximum	\$8,500 single \$17,000 family	\$8,300 single \$16,600 family	\$8,050 single \$16,100 family
Health Care FSA	\$3,400 per employee	\$3,300 per employee	\$3,200 per employee
Maximum Health Care FSA Carryover	\$680	\$660	\$640
Dependent Care FSA	\$7,500 per household	\$5,000 per household	\$5,000 per household

Questions on the impact of the increase in benefit plan limits for 2026 for your company or employees should be directed to [Rebecca Alperin](#).