IRS Announces Increases in Benefit Plan Limits for 2026

By:Rebecca F. Alperin
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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).

MORSE

Rebecca Alperin
781-622-5930
ralperin@morse.law

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 (Employer 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	-

[1]Participants 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.