

IRS Announces Increases in Benefit Plan Limits for 2026

By:Rebecca F. Alperin November 14, 2025



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 (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	-	

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	\$4,300 single	\$4,150 single	
	\$8,750 family	\$8,550 family	\$8,300 family	
HSA Catch-up Contribution (≥55)	\$1,000	\$1,000	\$1,000	
HDHP Minimum Annual Deductible	\$1,700 single	\$1,650 single	\$1,600 single	
	\$3,400 family	\$3,300 family	\$3,200 family	
HDHP In-Network Out-of-Pocket Maximum	\$8,500 single	\$8,300 single	\$8,050 single	
	\$17,000 family	\$16,600 family	\$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 limits for your company or employees should be directed to Rebecca Alperin.