

2026 Employee Benefits Limits

BENEFITS LIMITS	2026	2025
Section 401(k) Plan and Section 403(b) Plan Limits		
Aggregate Section 401(k) pre-tax and Roth salary deferrals by employees	\$24,500	\$23,500
Maximum Section 403(b) pre-tax and Roth contributions	\$24,500	\$23,500
Age 50 or older "catch-up" contribution dollar limit	\$8,000	\$7,500
Compensation Limits		
Maximum annual includible compensation limit	\$360,000	\$350,000
State/Local and Tax-Exempt Section 457(b) Plan Limits		
Maximum Section 457(e)(15) elective deferral dollar limit by employees	\$24,500	\$23,500
Age 50 or older "catch-up" contribution dollar limit (governmental)	\$8,000	\$7,500
Annual Section 415 Dollar Limits		
Defined benefit maximum (Section 415(b))	\$290,000	\$280,000
Defined contribution maximum (Section 415(c))	\$72,000	\$70,000
Highly Compensated Employees		
Compensation Limit (for look-back year)	\$160,000	\$160,000
Employee Stock Ownership Plans		
Threshold amount for exception to five-year distribution requirement	\$1,455,000	\$1,415,000
Incremental amount for distribution beyond five years	\$290,000	\$280,000
Key Employee in Top Heavy Plan		
Compensation Limit	\$235,000	\$230,000

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Simplified Employee Pensions (SEPs)		
Compensation at which plan participation is mandatory	\$800	\$750
Simple Plans		
Deferral limit	\$17,000	\$16,500
Age 50 or older "catch-up" contributions	\$4,000	\$3,500
Pension Benefit Guaranty Corporation		
Maximum guaranteed monthly benefit at age 65 (single life)	\$7,789.77	\$7,431.82
Social Security (Maximum taxable earnings subject to FICA tax)		
OASDI portion	\$184,500	\$176,100
Medicare portion	No Limit	No Limit
Health Savings Account (HAS) (Maximum Annual Contributions Limits)		
Single	\$4,400	\$4,300
Family	\$8,750	\$8,550
Catch-up (55 or older)	\$1,000	\$1,000
Flexible Spending Account (FSA)		
Health FSA maximum annual employee contribution	\$3,400	\$3,300
Dependent Care FSA maximum (unless married filing separately)	\$7,500	\$5,000
Age 60-63 "Super Catch-Up" (SECURE 2.0)	Greater of \$10,000 (indexed) or 150% of the age-60 catch-up (if adopted by the plan)	

Please contact one of our employee benefit attorneys with any employee benefit questions: Ed Hammond at ehammond@clarkhill.com (248) 988-1821; Luke Bailey at lbailey@clarkhill.com (214) 651-4572; Jim Brophy at jbrophy@clarkhill.com (602) 440-48 07; Brad Oxford at boxford@clarkhill.com (210) 250-6114; Mark Kossow at mkossow@clarkhill.com (609) 785-2916; Chris McMican at cmcmican@clarkhill.com (313) 309-4276; Ali Qamar at aqamar@clarkhill.com (214) 651-2013