

BLOG



NOVEMBER 14, 2025

The IRS recently released <u>Notice 2025-67</u> to announce cost-of-living adjustments to the indexed dollar limits applicable to retirement plans. (For information on the Health and Welfare Benefit Plan Limits for 2026, see <u>here</u>). The chart below shows how the 2026 retirement limits compare to the 2025 limits.

TYPE OF LIMIT	2025	2026
Defined Benefit Annual Benefit	\$280,000	\$290,000
Defined Contribution Annual Contribution	\$70,000	\$72,000
401(k)/403(b) Elective Deferrals	\$23,500	\$24,500
Roth Catch-Up Wage Threshold ^[1]	N/A	\$150,000
Catch-Up Contributions (Ages 50+)	\$7,500	\$8,000
Catch-Up Contributions (Ages 60-63 Only) ^[2]	\$11,250	\$11,250

Annual Compensation	\$350,000	\$360,000
"Key Employee" for Top-Heavy Plan	\$230,000	\$235,000
"Highly Compensated Employee" [3]	\$160,000	\$160,000
Social Security Wage Base	\$176,100	\$184,500

Notice 2025-67 also includes changes to other limits, including increases that apply to employee stock ownership plans, governmental plans, IRAs, and multiemployer plans, which are not reflected in the chart above.

WINSTON TAKEAWAY:

Plan sponsors should ensure the increased dollar limits are appropriately reflected in their payroll and plan administration programs for 2026 and included in annual and other required communications to plan participants.

Kristine Lofquist, Senior Paralegal, also contributed to this blog.

[1] SECURE 2.0 added a new requirement that higher-paid participants must make catch-up contributions on a Roth basis. For 2026, this applies to participants who earned more than \$150,000 in FICA wages in 2025. For more information on this requirement, see here.

[2] This higher catch-up limit is optional and is only applicable to participants who attain ages 60, 61, 62, or 63 in 2026.

[3] Whether an employee is a "highly compensated employee" in a given year is based on the employee's compensation earned during, and using the limit applicable for, the preceding year, so an individual will be a highly compensated employee in 2027 if he or she earns \$160,000 in 2026.

1 Min Read

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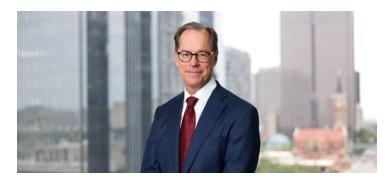
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