IRS Pension Plan Limitations

PorteBrown® ACCOUNTANTS & ADVISORS

Plan Feature Limits	2027	2026	2025
401(k), 403(b), 457, Profit Sharing Plans, Etc.			
Elective Deferrals	$25,500	$24,500	$23,500
Catch-Up Contributions (Age 50 & Older)*	$8,500	$8,000	$7,500
Catch-Up Contributions (Age 60-63)*	$11,750	$11,250	$11,250
Defined Contribution Plan (Not Including Catch-Up)*	$75,000	$72,000	$70,000
Highly Paid Individual Wage Limit for Roth Catch-Up	TBD	$155,000	$150,000
Simple IRA Plans			
Elective Deferrals	$17,500	$17,000	$16,500
Catch-Up Contributions (Age 50 & Older)	$4,000	$4,000	$3,500
Catch-Up Contributions (Age 60-63)	$5,250	$5,250	$5,250
Defined Benefit/Cash Balance Plans			
Maximum DB Plan Benefit	$300,000	$290,000	$280,000
Annual Compensation			
Permitted Plan Compensation	$375,000	$360,000	$350,000
Highly Compensated Employee Threshold	$170,000	$160,000	$160,000
Officer Compensation Threshold - Key Employee	$245,000	$235,000	$230,000
Social Security Taxable Wage Base	$192,300	$184,500	$176,100
Employee Stock Ownership Plans			
Account Balance (5-Year Distribution Period)	$1,505,000	$1,455,000	$1,415,000
Lengthen 5-Year Distribution Period Threshold	$300,000	$290,000	$280,000

* SECURE 2.0 change for 2026. Catch-up contributions for W2 employees who earned $150,000 or more in FICA wages (in 2025) to be Roth contributions starting in 2026. For 2027, if FICA wages were $155,000 or more in 2026, Roth catch-up will be required.