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Insights: Alerts

2027 Retirement Plan Limits

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The IRS has announced inflation-adjusted limits for retirement plans in Notice 2026-136. The 2027 retirement plan limits are summarized below.

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	2026	2027
Maximum Elective Deferrals to §401(k), §403(b), and §457(b) Plans	$24,500	$25,500
Maximum Catch-up Elective Deferrals to Plans (for participants ages 50-59 or ages 64 or older by the end of the year)	$8,000	$8,500
Maximum Catch-up Elective Deferrals to Plans (for participants ages 60-63 by the end of the year)	$11,250	$11,750
Section 415 Limits - Defined Contribution Plan Annual Addition Maximum - Defined Benefit Plan Dollar Maximum	 $72,000 $290,000	 $75,000 $300,000
Annual Compensation Limit under §§401(a)(17), 404(l) and 408(k)	$360,000	$375,000
§414(v)(7)(A) FICA wage threshold for Roth catch-up requirement based on prior year FICA wages (i.e., threshold amount reported in the column for 2027 reflects threshold applied in 2027 based on 2026 FICA wages)	$150,000	$155,000
§414(q) Highly Compensated Employee definition	$160,000	$170,000
§416(i) Top-Heavy Compensation – Used to determine officers as key employees	$235,000	$245,000
Maximum eligible distribution to victims of domestic abuse (if added to the Plan)	$10,500	$10,900
Maximum pension-linked emergency savings account (if added to the Plan)	$2,600	$2,700
Premiums paid for qualifying longevity annuity contracts	$210,000	$220,000
§409(o) Maximum ESOP Account Balance Subject to 5-Year Distribution Period	$1,455,000	$1,505,000
ESOP Amount Used to Determine Extensions of the 5-Year Distribution Period	$290,000	$300,000

Related People



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