

Commco Comments

Timely Information and Updates for Employers and Retirement Plan Sponsors

2026 Retirement Planning Key Numbers

Retirement plan limits are set for another moderate increase in 2026, with year-over-year changes very similar to what we saw for 2025 and 2024.

The big news for 2026 is the new requirement for higher-earning participants in 401(k) plans to make their age-based “catch up” contributions on a Roth basis. This change was mandated by the SECURE 2.0 Act of 2022 but is only now becoming effective.

Salary Deferral Limits	2025	2026
401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs	Lesser of \$23,500 or 100% of compensation, plus \$7,500 “catch up” if age 50 or older AND \$3,750 “super catch up” if age 60-63	Lesser of \$24,500 or 100% of compensation, plus \$8,000 “catch up” if age 50 or older AND \$3,250 “super catch up” if age 60-63
SIMPLE 401(k) plans and SIMPLE IRA plans	Lesser of \$16,500 or 100% of compensation, plus \$3,500 “catch up” if age 50 or older AND \$1,750 “super catch up” if age 60-63	Lesser of \$17,000 or 100% of compensation, plus \$4,000 “catch up” if age 50 or older AND \$1,250 “super catch up” if age 60-63

IRA Contribution Limits	2025	2026
Traditional and Roth IRAs	Lesser of \$7,000 or 100% of earned income, plus \$1,000 “catch up” if age 50 or older	Lesser of \$7,500 or 100% of earned income, plus \$1,100 “catch up” if age 50 or older

Defined Contribution (qualified, 403(b), and SEP) Plan Limits	2025	2026
Annual total addition limit per participant*	Lesser of \$70,000 or 100% (25% for SEP) of participant's compensation	Lesser of \$72,000 or 100% (25% for SEP) of participant's compensation

Retirement plan compensation limits	2025	2026
Annual compensation that can be considered in calculations	\$350,000	\$360,000
Compensation threshold used to determine a highly compensated employee	\$160,000 earned in 2024	\$160,000 earned in 2025
Compensation threshold used to determine a key employee in a top-heavy plan	\$1 for more-than-5% owners \$230,000 for officers \$150,000 for more-than-1% owners	\$1 for more-than-5% owners \$235,000 for officers \$150,000 for more-than-1% owners
Compensation threshold for requirement that catch-up contributions be Roth	n/a	\$150,000 earned in 2025

*Annual addition limit per participant includes all employer contributions and regular salary deferrals, but excludes any employee catch up contributions.

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What is new about 401(k) catch up contributions for an employee over the age of 50 with a \$160,000 annual income?



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Income phase-out* range for deductibility of Traditional IRA contributions	2025	2026
If covered by an employer plan and filing as:		
Single/Head of household	\$79,000 - \$89,000	\$81,000 - \$91,000
Married filing jointly	\$126,000 - \$146,000	\$129,000 - \$149,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000
If not covered by an employer plan, but filing joint return with a spouse who is covered by a plan	\$236,000 - \$246,000	\$242,000 - \$252,000

Income phase-out* range for ability to fund a Roth IRA	2025	2026
Single/Head of household	\$150,000 - \$165,000	\$153,000 - \$168,000
Married filing jointly	\$236,000 - \$246,000	\$242,000 - \$252,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000

This information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Any information is not a complete summary or statement of all available data necessary for making an investment decision and does not constitute a recommendation. You should discuss any tax or legal matters with the appropriate professional.

**A phase-out is the gradual reduction of a tax credit as a taxpayer approaches the income limit to qualify for that credit. If your income is below the bottom of the phase-out range, you may qualify for the full credit. If it is above the top of the range, you may not qualify for any of the credit. Incomes within the phase-out range may qualify for a partial credit, with the percentage of credit received generally decreased as income increases.*