

# 2026 Cost-of-Living Adjustments for Qualified Retirement Plans

BDO presents a highlights summary of the significant cost-of-living adjustments (COLA) effective for 2026. These adjustments recently announced by the Internal Revenue Service (IRS) and the Social Security Administration (SSA) have a wide-ranging impact, including the savings rate for retirement plans. BDO will continue to provide updates on regulatory matters impacting retirement plans in the coming year – to sign up for BDO newsletters and other insights, visit the [ERISA Center of Excellence](#).

CODE SECTION	2026	2025	2024
401(a)(17) / 404(l) Annual Compensation	\$360,000	\$350,000	\$345,000
402(g)(1) Elective Deferrals	\$24,500	\$23,500	\$23,000
408(k)(2)(C) SEP Minimum Compensation	\$800	\$750	\$750
408(k)(3)(C) SEP Maximum Compensation	\$360,000	\$350,000	\$345,000
408(p)(2)(E) SIMPLE Maximum Contributions	\$17,000	\$16,500	\$16,000
409(o)(1)(C)(ii) ESOP Limits	\$1,455,000 \$290,000	\$1,415,000 \$280,000	\$1,380,000 \$275,000
414(q)(1)(B) HCE Threshold	\$160,000	\$160,000	\$155,000
414(v)(2)(B)(i) Regular Age 50+ Catch-up Contributions	\$8,000	\$7,500	\$7,500
414(v)(2)(B)(ii) SIMPLE Plans under 401(k)(11) Age 50+ Catch-up Contributions	\$4,000	\$3,500	\$3,500
414(v)(2)(B)(iii) SIMPLE IRAs under 408(p) Age 50+ Catch-up Contributions	\$3,850	\$3,850	
414(v)(2)(E)(i) Super Catch-up Contributions Regular Age 60-63 Super Catch-up Contributions	\$11,250	\$11,250	\$7,500
414(v)(2)(E)(ii) Catch-up Contributions SIMPLE Plans and IRAs Age 60-63 Super Catch-up Contributions	\$5,250	\$5,250	
414(v)(7)(A) Roth Catch-up Wage Threshold	\$150,000	\$150,000	\$145,000
415(b)(1)(A) DB Limits	\$290,000	\$280,000	\$275,000
415(c)(1)(A) DC Limits	\$72,000	\$70,000	\$69,000
416(i)(1)(A)(i) Key Employee	\$235,000	\$230,000	\$220,000

BDO works collaboratively with clients to test retirement plan limits while performing an audit of the qualified retirement plan. For more information about our ERISA audit services, plan administration and actuarial services, visit BDO's [BDO's Employee Benefit Plan Audits](#).

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