

GIBSON DUNN



Executive Compensation & Employee Benefits Update

November 13, 2025

## IRS Updates U.S. Retirement Plan COLAs for 2026

*On November 13, 2025, the IRS released its cost-of-living adjustments to limitations applicable to tax-qualified retirement plans for 2026.*

Many of the key 2026 limitations, including the elective deferral and catch-up contribution limits for employees who participate in 401(k), 403(b) and 457 retirement plans, have increased from current levels. The key limitations for 2026 will increase as follows:

| Limitation   | 2026 Limit  |
|--|---|
| 402(g) Limit on Employee Elective Deferrals (Note: This is relevant for 401(k), 403(b) and 457 plans, and for certain limited purposes under Code Section 409A.) | \$24,500 (\$23,500 for 2025)  |
| 414(v) Limit on "Catch-Up Contributions" for Employees Age 50-59 (Note: This is relevant for 401(k), 403(b) and 457 plans.)                                      | \$8,000 (\$7,500 for 2025) (no increase for employees age 60-63, which remains at \$11,250) |

|  |   |
|--|---|
| 401(a)(17) Limit on Includible Compensation (Note: This applies to compensation taken into account in determining contributions or benefits under qualified plans. It also impacts the “two times/two years” exclusion from Code Section 409A coverage of payments made solely in connection with involuntary terminations of employment.) | \$360,000 (\$350,000 for 2025)  |
| 415(c) Limit on Annual Additions Under a Defined Contribution Plan   | \$72,000 (or, if less, 100% of compensation) (\$70,000 for 2025)                    |
| 415(b) Limit on Annual Age 65 Annuity Benefits Payable Under a Defined Benefit Plan  | \$290,000 (or, if less, 100% of average “high 3” compensation) (\$280,000 for 2025) |
| 416(i) Officer Compensation Amount for “Top-Heavy” Determination (Note: Because Code Section 409A defines “specified employees” of public companies by reference to this provision, this amount also affects the specified employee determination, and thus, the group subject to the six-month delay under Code Section 409A.)            | \$235,000 (\$230,000 for 2025)  |
| Social Security “Wage Base” for Plans Integrated with Social Security  | \$184,500 (\$176,100 for 2025)  |

**The following Gibson Dunn lawyers prepared this update: Michael Collins, Krista Hanvey, and Akiva Reich.**

Gibson Dunn’s lawyers are available to assist with any questions you may have regarding these issues. To learn more, please contact the Gibson Dunn lawyer with whom you usually work, the authors, or any leader or member of the firm’s Executive Compensation and Employee Benefits practice group:

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