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Executive Compensation & Employee Benefits Update November 13, 2026

IRS Updates U.S. Retirement Plan COLAs for 2027

On November 12, 2026, the IRS released its cost-of-living adjustments applicable to tax-qualified retirement plans for 2027.

Many of the key 2027 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 2027 will increase as follows:

Limitation	**2027 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.)	$25,500 ($24,500 for 2026)
414(v) Limit on "Catch-Up Contributions" for Employees Age 50-59 (Note: This is relevant for 401(k), 403(b) and 457 plans.)	$8,500 ($8,000 for 2026) and $11,750 for employees age 60-63 ($11,250 for 2026)
414(v) Roth Catch-Up Wage Threshold (Note: This is used to determine whether an individual's catch-up contributions must be designated as Roth contributions)	$155,000 ($150,000 for 2026)
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	$375,000 ($360,000 for 2026)

impacts the "two times/two years" exclusion from Code Section 409A coverage of payments made solely in connection with involuntary terminations of employment.)	
415(c) Limit on Annual Additions Under a Defined Contribution Plan	$75,000 (or, if less, 100% of compensation) ($72,000 for 2026)
415(b) Limit on Annual Age 65 Annuity Benefits Payable Under a Defined Benefit Plan	$300,000 (or, if less, 100% of average "high 3" compensation) ($290,000 for 2026)
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.)	$245,000 ($235,000 for 2026)
414(q) Highly Compensated Employee Threshold	$170,000 ($160,000 in 2026)
Social Security "Wage Base" for Plans Integrated with Social Security	$192,300 ($184,500 for 2026)

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

Gibson Dunn's lawyers are available to assist in addressing any questions you may have regarding these issues. Please contact the Gibson Dunn lawyer with whom you usually work, any leader or member of the firm's Executive Compensation & Employee Benefits practice group, or the following:

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