Benefit and Contribution Limits for 2027

Benefit Limits Under the Internal Revenue Code and Social Security		
Description	**2026 Limit**	**2027 Limit**
Compensation Cap under 401(a)(17)	$360,000	**$375,000**
Elective Deferral Limit under 402(g)(1) for 401(k) plans, SEPs, and 403(b) plans	$24,500	**$25,500**
Applicable Dollar Amount for 457(b) plans	$24,500	**$25,500**
Catch-Up Contributions for Individuals Age 50 and Above	$8,000	**$8,500**
Catch-Up Contributions for Individuals who Attain Age 60, 61, 62, or 63 in 2027	$11,250	**$11,750**
Defined Benefit Maximum Annual Accrual	$290,000	**$300,000**
Defined Contribution Maximum Annual Addition	$72,000	**$75,000**
Highly Compensated Employee Threshold	$160,000	**$170,000**
Key Employee in Top-Heavy Plans Threshold	$235,000	**$245,000**
ESOP threshold for determining maximum account balance subject to 5-year distribution period > Regular Limit > Additional amount to lengthen 5-year period	 $1,455,000 $290,000	 **$1,505,000** **$300,000**
SEP Compensation Threshold for Participation	$800	**$800**
SIMPLE IRA Salary Reduction Contribution	$17,000	**$17,500**
Catch-Up Contributions for SIMPLE IRAs or SIMPLE 401(k) plans for Individuals Age 50 and Above	$4,000	**$4,000**
IRA Maximum Deduction	$7,500	**$7,500**
Social Security Taxable Wage Base	$184,500	**$192,300**
Health Savings Account Maximum Contributions > Family Coverage > Single Coverage	 $8,750 $4,400	 **$9,000** **$4,500**
ACA Affordability Percentage	9.96%	**10.22%**

This chart reflects the most commonly applicable limits only; additional limits may apply in special circumstances. It contains general, condensed summaries of actual legal matters, statutes and opinions for information purposes. It is not meant to be and should not be construed as legal advice. Individuals with particular needs on specific issues should retain our services or the services of other competent counsel.