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2027 Retirement Plan Contribution Limits

The Internal Revenue Service (IRS) today announced its annual update to dollar limitations for retirement plans for the 2027 tax year. The table below provides a few highlights.

The IRS today announced the updated retirement plan contribution limits for the 2027 tax year. These adjustments reflect cost-of-living changes and help individuals and employers plan more effectively for retirement savings and benefits strategy.

If you contribute to a 401(k), 403(b), 457(b), traditional individual retirement account (IRA), Roth IRA, or manage a workplace retirement plan, now is a great time to review the thresholds and adjust your contributions accordingly.

The new limits may present opportunities to increase tax-deferred savings or fine-tune retirement strategies in alignment with your long-term goals.

Below is a snapshot of the 2027 contribution limits.

Retirement Plan Limits	2027	2026	2025	2024	2023
Elective contribution limit for 401(k), 403(b) and most 457 plans	$25,500	$24,500	$23,500	$23,000	$22,500
Catch-up contribution limit for 401(k), 403(b) and most 457 plans (employees over the age of 50)	$8,500	$8,000	$7,500	$7,500	$7,500
Catch-up contribution limit for 401(k), 403(b) and most 457 plans (for employees ages 60 - 63)	$11,750	$11,250	$11,250		
Defined contribution limit under Section 415(c)(1)(A)	$75,000	$72,000	$70,000	$69,000	$66,000
Annual compensation limit under Sections 401(a)(17), 404(1), 408(k)(3)(C), and 408(k)(6)(D)(ii)	$375,000	$360,000	$350,000	$345,000	$330,000
Annual compensation limit for highly compensated employees	$170,000	$160,000	$160,000	$155,000	$150,000
Defined benefit limit under Section 415(b)(1)(A)	$300,000	$290,000	$280,000	$275,000	$265,000
Annual compensation limit for key employees	$245,000	$235,000	$230,000	$220,000	$215,000
Individual Retirement Account (IRA)	$7,500	$7,500	$7,000	$7,000	$6,500
Individual Retirement Account (IRA) Catch-up	$1,100	$1,100	$1,000	$1,000	$1,000
Roth catch-up wage threshold	$155,000*	$150,000*			

*Based on prior-year FICA wages

Source: â??2027 Amounts Relating to Retirement Plans and IRAs, as Adjusted for Changes in Cost-of-Livingâ?• IRS

Whether youâ??re optimizing your personal retirement contributions or reviewing employer-sponsored plan limits, our advisors are here to guide you through what these changes could mean for your financial future.

Align Your Strategy with the New 2027 IRS Contribution Limits

To learn more about how these changes may impact your plan or portfolio, contact your CAPTRUST financial advisor at 800.216.0645, or visit our locations page to connect with an advisor near you.

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Have questions? Need help? Call the CAPTRUST at Work Desk at 800.967.9948, or schedule an appointment with a retirement counselor today.

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