# 2026 Cost of Living Adjustments

FBP
Flexible Benefits Plans
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## Indexed Figures for 2026

The IRS and other relevant agencies have released 2025 indexed amounts, adjusted for inflation, for health savings account contribution limits and deductibles, out-of-pocket (OOP) maximums for high-deductible health plans (HDHPs), Healthcare Spending Accounts (health FSAs) and others. Please use these figures to prepare benefit guides and other employee communication materials and to determine benefit plan designs.

| | 2025 | 2026 |
|---|---|---|
| **Employee Benefits** | | |
| 401(k) & 403(b) Limit | $23,500 | $24,500 |
| 457(b)(2) Limit | $23,500 | $24,500 |
| 401(k), 403(b), 457(b) Catch-up for those turning 50-59 or 64+ | $ 7,500 | $ 8,000 |
| 401(k) & 403(b) Catch-up for those turning age 60-63 | $11,250 | $11,250 |
| Prior Year FICA Threshold for Roth Catch-up mandate | N/a | $150,000 |
| SIMPLE Deferral Limit | $16,500 | $17,000 |
| SIMPLE Catch-Up for those turning 50-59 or 64+ | $ 3,500 | $ 4,000* |
| SIMPLE Catch-Up for those turning 60-63 | $ 5.250 | $ 5,250 |
| Annual Compensation Limit | $350,000 | $360,000 |
| Highly Compensated Employee Salary Amount | $160,000 | $160,000 |
| Annual Compensation for Key Employee | $230,000 | $235,000 |
| Defined Benefit Plan Limit | $280,000 | $290,000 |
| Defined Contribution Plan Limit | $ 70,000 | $ 72,000 |
| **Qualified Transportation Fringe Benefits** | | |
| Parking (monthly) | $325 | $340 |
| Mass Transit Passes (monthly) | $325 | $340 |
| **FICA Taxable Wage Base** | | |
| Social Security | $176,100 | $184,500 |
| Medicare | Unlimited | Unlimited |
| **FICA Tax Rate** | | |
| Social Security | 6.20% | 6.20% |
| Medicare | 1.45% | 1.45% |
| Health Care Flexible Spending Account Maximum | $ 3,300 | $ 3,400 |
| Health Care FSA Carryover Maximum (for following year) | $ 660 | $ 680 |
| Dependent Care Spending Account Maximum | $ 5,000 | $ 7,500 |
| Adoption Assistance Plans | $17,280 | $17,670 |
| **Non-grandfathered Plan Out-of-Pocket Limits** | | |
| Self-only Coverage | $ 9,200 | $10,600 |
| Family Coverage | $18,400 | $21,200 |
| **Health Savings Account** | | |
| Maximum Individual Contribution | $ 4,300 | $ 4,400 |
| Maximum Family Contribution | $ 8,550 | $ 8,750 |
| Catch-up Contribution | $ 1,000 | $ 1,000 |
| **High Deductible Health Plans** | | |
| Minimum Annual Deductible (Individual) | $ 1,650 | $ 1,700 |
| Minimum Annual Deductible (Family) | $ 3,300 | $ 3,400 |
| Maximum Out-of-Pocket Limit (Individual) | $ 8,300 | $ 8,500 |
| Maximum Out-of-Pocket Limit (Family) | $16,600 | $17,000 |
| **Individual Mandate Penalty** | $0 | $0 |
| **Employer Shared Responsibility Penalty** | | |
| Failure to offer MEC to 95% of FT employees (IRC 4980H(a)) | $2,900 | $3,340 |
| Failure to offer MEC that is affordable and/or minimum value | $4,350 | $5,010 |
| Affordability threshold for employee only coverage | 9.02% | 9.96% |

**Note that the SIMPLE Catch-Up for those turning 50-59 or 64+ is $4,000 for employers with 25 or fewer employees who received at least $5,000 in compensation in the prior year or employers between 26 and 100 employees who elected to have the higher limit apply. Otherwise, the limit is $3,850.*

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