2026 Retirement Contribution Limits Are Increasing: What You Need to Know

The IRS has announced higher **2026 contribution limits** for retirement accounts, and these increases create a valuable opportunity to strengthen your long-term financial plan. Whether you're maximizing your employer plan, building tax-advantaged income through Roth contributions, or approaching the age where in-service withdrawals become available, 2026 is shaping up to be a year full of planning advantages.

Below is a clear breakdown of what's changing and how you can make the most of it.

2026 Retirement Contribution Limits

The IRS has increased the contribution limits across several major retirement accounts:

401(k), 403(b), 401(a), and 457 Plans

- **Employee contribution limit:** $24,500
- **Catch-up contribution (age 50+):** $8,000
- **Total possible for age 50+:** $32,500
- **Ages 60–63 "super catch-up":** $11,250 (unchanged)

Traditional & Roth IRA

- **Annual contribution limit:** $7,500
- **Catch-up contribution (age 50+):** $1,100

These increases give savers more room to grow tax-advantaged wealth and stay on track for long-term retirement goals.

Why These Increases Matter

Every time contribution limits rise, you gain additional space to invest in accounts that offer tax benefits, compounding growth, and long-term flexibility. Even small annual increases can have a meaningful impact over time—especially for those in their peak earning years.

If you haven’t reviewed your contribution levels recently, 2026 is an ideal time to consider increasing them.

Don’t Overlook Your Roth Options

Most employer plans now offer a **Roth 401(k), Roth 403(b), or Roth 401(a)** option. These accounts allow you to contribute after-tax dollars today and enjoy **tax-advantaged withdrawals in retirement**.

My philosophy is simple:
Pay tax on the seed and let the harvest grow tax-advantaged.

Roth contributions can help you:

- Lock in today’s tax rates
- Build tax-advantaged retirement income
- Reduce future Required Minimum Distributions
- Improve long-term tax diversification

If you’re not currently using the Roth portion of your employer plan, this is an excellent time to revisit your strategy.

Review Your 401(k) or Employer Plan Allocation

Employer retirement plans often offer a limited menu of investment options. Because of this, it’s important to periodically review your allocation to ensure it still aligns with your goals, risk tolerance, and time horizon.

A quick allocation review can help you:

- Confirm your investments match your long-term objectives
- Adjust for market changes
- Ensure you’re taking advantage of suitable options available within your plan

If it’s been a while since we reviewed your employer plan, now is a great time to check in.

If You’re Age 59½ or Older: Explore In-Service Withdrawals

Many employer plans allow participants age **59½ or older** to complete an **in-service withdrawal**. This strategy allows you to:

- Move part (or all) of your 401(k) balance into a **Traditional IRA**
- Continue contributing to your employer plan
- Access a broader range of investment options
- Improve diversification and long-term planning flexibility

Eligibility varies by plan, so your first step is to contact your plan custodian or HR department to confirm whether in-service withdrawals are allowed.

Take Advantage of 2026 Opportunities

With higher contribution limits, expanded Roth opportunities, and strategic planning options for those nearing retirement, 2026 is shaping up to be a strong year for retirement savers.

If you'd like to:

- Increase your contributions
- Review your employer plan allocation
- Explore Roth strategies
- Evaluate an in-service withdrawal
- Or simply check in on your retirement plan

I'm here to help you make the most of these expanded opportunities and ensure your strategy stays aligned with your long-term goals.
