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NEWSLETTER WINTER 2026

2026 Retirement & Tax Planning Changes

In combination with the One Big Beautiful Bill Act (OBBBA), the SECURE Act 2.0, and general inflation adjustments, significant changes are expected for 2026.

Here are the most notable changes for the year:

Employer-Sponsored Retirement Plans

The contribution limit for employer-sponsored retirement accounts, such as a 401Ks, 403Bs, the TSP, or Deferred Compensation plans, has been increased to adjust for inflation. Those under 50 years old will be able to contribute a maximum of $24,500 for the year, which is a $1,000 increase from last year. Those 50 to 59 by the end of 2026 will be able to make a catch-up contribution of $8,000, bringing the total maximum contribution to $32,500. A higher catch-up contribution limit applies for employees who reach ages 60, 61, 62, and 63 by the end of 2026. They'll be able to make a $11,250 catch contribution instead of $8,000, bringing their total maximum contribution to $35,750. For employees age 64 and up by the end of 2026, their catch-up contribution reverts to $8,000.

Roth Treatment for Catch-Up Contributions

Although the SECURE Act 2.0 was passed in December of 2022, it included many provisions that were delayed into the future. One of these provisions was the treatment of catch-up contributions for employer-sponsored retirement accounts such as a 401Ks, 403Bs, the TSP or Deferred Compensation plans. As of January 1st, 2026, employees 50 and older who make catch-up contributions to their employer sponsored retirement plan, and whose income was over $145,000 (FICA wages) in the prior year, must make Roth catch-up contributions. These employees will no longer be able to make pre-tax catch-up contributions. If their retirement plan doesn't have a Roth contribution option, they won't be able to make catch-up contributions.