2027

COST OF LIVING ADJUSTMENTS

The table below outlines the key Internal Revenue Service annual cost of living adjustments affecting dollar limitations for qualified retirement plans and other benefit-related items for tax year 2027. These limits are effective January 1, 2027.

RETIREMENT PLANS	2027	2026	2025
Employee Elective Deferral Limits – 401(k), 403(b) & 457	$25,500	$24,500	$23,500
Catch-Up Contributions Limit (age 50 and above)*	$8,500	$8,000	$7,500
Annual Compensation Maximum	$375,000	$360,000	$350,000
Highly Compensated Employee	$170,000	$160,000	$160,000
Prior Year FICA Wage Threshold for Mandatory Roth Catch-Up	$155,000	$150,000	N/A
Key Employee	$245,000	$235,000	$230,000
Defined Contribution Maximum – 415 Limit	$75,000	$72,000	$70,000
Defined Benefit Maximum – 415 Limit	$300,000	$290,000	$280,000
Social Security Taxable Wage Base	$192,300	$184,500	$176,100

* Catch-Up Contributions can be made any time during or after the year in which the retirement plan participant turns 50. Participants who will reach ages 60, 61, 62, or 63 by the end of the calendar year may use an alternate increased catch-up contribution amount of $11,750 in 2027.

Health Savings Account (HSA) Annual Contribution Limits

HSA ACCOUNT	2027	2026	2025
Individual	$4,500	$4,400	$4,300
Family	$9,000	$8,750	$8,550
Catch-Up Contribution (age 55 and above)	$1,000	$1,000	$1,000

Flexible Spending Account (FSA) Annual Contribution Limits

FSA ACCOUNT	2027	2026	2025
Health Care	$3,500	$3,400	$3,300
Health Care Carryover	$700	$680	$660
Dependent Care	$7,500	$7,500	$5,000