BLUE RIDGE ASSOCIATES

IRS COLA Limits

Cost-of-Living Adjusted Limits for 2027

Limits for IRAs	2027	2026	2025
IRA Contribution Limit	$7,500	$7,500	$7,000
IRA Catch-up Contribution Limit	$1,100	$1,100	$1,000
Limits for SEPs and SIMPLEs			
SEP IRA Annual Contribution Limit	$75,000	$72,000	$70,000
SIMPLE IRA Deferral Limit*	$17,500	$17,000	$16,500
SIMPLE IRA Catch-up Contribution Limit*	$4,000	$4,000	$3,500
SIMPLE IRA Super Catch-up Contribution Limit**	$5,250	$5,250	$5,250
Limits for qualified plans and 403(b) plans			
Annual Compensation Cap	$375,000	$360,000	$350,000
Elective Deferral Limit	$25,500	$24,500	$23,500
Catch-up Contribution Limit	$8,500	$8,000	$7,500
Super Catch-up Contribution Limit**	$11,750	$11,250	$11,250
DC Plan Annual Contribution Limit	$75,000	$72,000	$70,000
Highly Compensated Employee Threshold***	$170,000	$160,000	$160,000
Key Employee Compensation Threshold for Officers	$245,000	$235,000	$230,000
Roth Catch-Up Compensation Threshold****	TBD	$155,000	$150,000
DB Plan Annual Benefit Limit	$300,000	$290,000	$280,000
Other limits			
457 Plan Deferral Limit	$25,500	$24,500	$23,500
Social Security Taxable Wage Base	$192,300	$184,500	$176,100

*Under SECURE 2.0, for 2027, the SIMPLE IRA deferral limit is $17,500 for most employers, but $19,100 for certain employers. The SIMPLE IRA catch-up limit is $4,000 for most employers, but $3,850 for certain employers.

**Under SECURE 2.0, for 2027, the $8,500 ($4,000 for SIMPLE IRAs) catch-up contribution limit is increased to $11,750 ($5,250 for SIMPLE IRAs) for those who reach ages 60, 61, 62, and 63 during the year. Those turning 64 in 2027, for example, may use the $8,500 catch-up ($4,000 for SIMPLE IRAs), but not the super catch-up.

***Employees with compensation over this threshold will be highly compensated employees in the following year.

****This means participants who had more than $155,000 in FICA wages in 2026 will be Highly Paid Individuals for 2027 and will therefore be required to make any catch-up contributions as designated Roth contributions for 2027.

Note: The above limits do not reflect all limits in place for 2027. See the IRS website for additional information.

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