FIRST HILL TRUST COMPANY

EMPLOYER GUIDE · 2027

The 2027 401(k) Limits at a Glance

Every 2027 401(k) contribution, plan and testing limit next to the 2026 number, from IRS Notice 2026-66.

Limit	2026	2027	What changed
Employee contributions			
401(k) and 403(b) deferral limit	$24,500	**$25,500**	Up $1,000. Per person, across all 401(k) and 403(b) plans.
Catch-up, age 50 and older	$8,000	**$8,500**	Up $500. For employees who turn 50 or older in 2027. Total: $34,000.
Catch-up, ages 60 to 63	$11,250	**$11,750**	Up $500. For employees who turn 60 to 63 in 2027, in place of the age 50 catch-up. Total: $37,250.
Starter 401(k) deferral limit	$6,000	**$6,500**	Up $500. Plus $1,100 for age 50 and older.
SIMPLE IRA and SIMPLE 401(k) deferral	$17,000	**$17,500**	Up $500. Some SIMPLE plans qualify for a higher $19,100 limit.
Plan limits			
Total annual additions per participant	$72,000	**$75,000**	Up $3,000. Employee and employer money combined, not catch-ups.
Compensation a plan can count	$360,000	**$375,000**	Up $15,000. Pay above this is ignored when figuring contributions.
Testing and Roth thresholds			
Highly compensated employee pay threshold	$160,000	**$170,000**	Up $10,000. In a calendar-year plan, 2027 pay from your company above this makes an employee an HCE for 2028, unless the plan uses the top-paid group election.
Key employee officer pay threshold	$235,000	**$245,000**	Up $10,000. Used in top-heavy testing.
Roth catch-up wage threshold	$150,000	**$155,000**	Up $5,000. Employees whose 2026 FICA wages from your company were above this must make 2027 catch-ups as Roth.
IRAs			
IRA contribution limit	$7,500	**$7,500**	No change.
IRA catch-up, age 50 and older	$1,100	**$1,100**	No change.

Deferral and catch-up limits apply to each employee's 2027 tax year. Plan limits apply by the plan's limitation year or plan year, which may not match the calendar year. Your plan document can set lower limits. The HCE and Roth catch-up thresholds look back a year, so check which year's pay each one uses.

Sources: IRS Notice 2026-66, IRS News Release IR-2026-136. **See Important Disclosures on page 2.**

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Figures on page 1 are the 2027 amounts published by the Internal Revenue Service in Notice 2026-66 and News Release IR-2026-136, and the 2026 amounts they replace. They do not reflect any lower limits set by a particular plan.

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