

2027 Cost-of-Living Adjustments

Retirement Accounts

Workplace Retirement Plans	2027	2026	2025
Elective Deferrals: 401(k), 403(b), most 457 plans	$25,500	$24,500	$23,500
Catch-Up Contributions • Age 50+ • Age 60 - 63	 $8,500 $11,750	 $8,000 $11,250	 $7,500 $11,250
Puerto Rico Retirement Plans	**2027**	**2026**	**2025**
Elective Deferrals: 1081.01(d) / PR-Only Qualified plans Catch-Up Contributions: 1081.01(d)/ PR-Only Qualified plans	TBD TBD	$15,000 $1,500	$15,000 $1,500
Elective Deferrals: Dual-Qualified Plans & Federal Thrift Savings Plan Catch-Up Contributions: Federal Thrift Savings Plan	TBD TBD	$24,500 $8,000	$23,500 $7,500
Benefit Limits: US & Puerto Rico Retirement Plans	**2027**	**2026**	**2025**
Annual Contribution Limit	$75,000	$72,000	$70,000
Highly Compensated Threshold	$170,000	$160,000	$160,000
Annual Compensation Limit	$375,000	$360,000	$350,000
Annual Benefit Limit	$300,000	$290,000	$280,000
Traditional IRA	**2027**	**2026**	**2025**
Traditional IRA Regular Contribution Limit	$7,500	$7,500	$7,000
Age 50 Catch-Up Limit for Traditional IRAs	$1,100	$1,100	$1,000
AGI Phase-Out Ranges for Determining Traditional IRA Deductions for Active Participants: • Unmarried Taxpayers • Married Taxpayers filing joint returns • Married Taxpayers filing separate returns • Non-active Participant Spouse	 $83,000 - $93,000 $133,000 - $153,000 $0 - $10,000 $250,000 - $260,000	 $81,000 - $91,000 $129,000 - $149,000 $0 - $10,000 $242,000 - $252,000	 $79,000 – $89,000 $126,000 – $146,000 $0 – $10,000 $236,000 – $246,000
Roth IRA	**2027**	**2026**	**2025**
Roth IRA Regular Contribution Limit	$7,500	$7,500	$7,000
Age 50 Catch-Up Limit for Roth IRAs	$1,100	$1,100	$1,000
AGI Phase-Out Ranges for Determining Roth IRA Regular Contributions: • Unmarried Taxpayers • Married Taxpayers filing joint returns • Married Taxpayers filing separate returns	 $158,000 - $173,000 $250,000 - $260,000 $0 - $10,000	 $153,000 - $168,000 $242,000 - $252,000 $0 - $10,000	 $150,000 – $165,000 $236,000 - $246,000 $0 – $10,000



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Health & Welfare Accounts

Flexible Spending Account (FSA)	2027	2026	2025
Employee Contribution Limit for Health & Limited FSA	$3,500	$3,400	$3,300
Medical FSA Rollover	$700	$680	$660
Dependent Care Assistance Account Employee Contribution Limit:			
• Single or married filing a joint return	$7,500	$7,500	$5,000
• Married filing a separate return	$3,750	$3,750	$2,500
Monthly Limit for Parking/Transit & Vanpool	$350/$350	$340/$340	$325/$325
Health Savings Account (HSA)	**2027**	**2026**	**2025**
HSA Maximum Contribution:			
• Self - Only Coverage	$4,500	$4,400	$4,300
• Family Coverage	$9,000	$8,750	$8,550
Age 55 HSA Catch-up Contribution	$1,000	$1,000	$1,000
High-Deductible Health Plan (HDHP):			
• Annual Deductible-Single	$1,750	$1,700	$1,650
• Annual Deductible-Family	$3,500	$3,400	$3,300
• Maximum Out-of-Pocket-Single	$8,700	$8,500	$8,300
• Maximum Out-of-Pocket-Family	$17,400	$17,000	$16,600

Elective Deferral Limit: maximum contribution that a participant can contribute to a Workplace Retirement Plan, such as a 401(k) or 403(b) plan.

For 1081.01(d)/PR-Only Qualified plans, the Elective Deferral Limit is the maximum pre-tax contribution permitted for plans qualified solely under Section 1081.01(d) of the Puerto Rico Internal Revenue Code. **For Puerto Rico participants in a Dual-Qualified plan**, the Elective Deferral Limit for 2026 is $22,500. Contributions exceeding this limit will be taxable to the participant.

Annual Benefit Limit: maximum annual benefit that can be paid to a participant (IRC section 415). Applied limit is the lesser of the dollar limit above **or** 100% of the participant's average compensation (generally the high three consecutive years of service). The participant compensation level is also subjected to the **Annual Compensation Limit**.

Annual Contribution Limit: maximum annual contribution amount that can be made to a participant's account (IRC section 415). Limit is expressed as the lesser of the dollar limit **or** 100% of the participant's compensation, applied to the combination of employee contributions, employer contributions, and forfeitures allocated to a participant's account.

Annual Compensation Limit: In calculating contribution allocations, a plan cannot consider any employee compensation in excess of this limit. In calculating certain nondiscrimination tests, all participant compensation is limited to this amount.

457 Deferral Limit: Similar restriction, applied to certain government plans (457 plans).

Highly Compensated Threshold (section 414(q)(1)(B)): minimum compensation level established to determine highly compensated employees for purposes of nondiscrimination testing.

Catch up Contributions: Under the Economic Growth and Tax Relief Act of 2001 (EGTRRA), certain individuals aged 50 or over can make catch up contributions. Beginning 2025, individuals aged 60 - 63 may make additional catch-up contributions due to SECURE 2.0 legislation, as determined at the plan level.