



## RETIREMENT SERVICES DIVISION MEMORANDUM 2025-04

December 10, 2025

### TO ALL HEADS OF STATE AGENCIES

**ATTENTION:** Human Resource, Benefit and Payroll Officers, and State Employee Participants in the 457 Plan and 403(b) Plan

**SUBJECT:** 457 and 403(b) Plan 2026 IRS Maximum Contribution Limits

#### I. Introduction

The purpose of this memorandum is to announce the limits set by the Internal Revenue Service (IRS) for 2026. These limits apply to contributions to the State of Connecticut 457 Plan and the State of Connecticut 403(b) Plan.

#### II. Contribution Limit

Each year, the IRS sets a maximum amount that employees may contribute to certain types of defined contribution plans. These limits apply to both the 457 plan and the 403(b) plan.

- For 2026, the maximum amount employees under the age of 50 may contribute is \$24,500.
- Employees who will attain age 50 or above by December 31, 2026, may contribute an additional \$8,000 in catch-up contributions, for a total of \$32,500.
- Employees who will attain ages 60, 61, 62, or 63 by December 31, 2026, may contribute an additional \$11,250 in catch-up contributions, for a total of \$35,750. **Please note** employees who are eligible for this increased limit will not also be eligible for the age 50+ catch-up.
- Employees who have been approved for the 457 plan Special Three-Year Catch-Up option may be eligible to contribute a maximum of \$49,000 in 2026. If you are eligible and wish to use the Special Three-Year Catch-Up option, you must apply for approval.

The annual limit applies to pre-tax contributions, post-tax contributions, or any combination of the two. Employees who are eligible to participate in both the 457 and 403(b) plans may contribute an amount up to the 2026 maximum to each plan.

Beginning in 2026, employees whose prior-year FICA wages exceed \$150,000 (as indexed) must make all age-based catch-up contributions as Roth. This requirement does not apply to employees not subject to FICA or to catch-up contributions made under the 457 Special Three-Year Catch-Up Provision.

### **III. Restarting and Increasing Contributions in 2026**

Employees who elected to stop their contributions to the 457 plan and/or the 403(b) plan during 2025 must act if they want to re-start their contributions for 2026. If an employee's deductions were suspended automatically due to the employee having reached the IRS maximum limit in 2025, contributions will resume without further action by the employee.

An employee who was terminated on an employment record will also need to take action to re-start contributions following re-employment on that record. Employees with multiple employment records must enroll for each record from which they wish to contribute. Agencies should notify their employees of these requirements upon every instance of re-employment.

Employees can make contribution changes and restarts for the 457 and 403(b) plans on the [www.CTDCP.com](http://www.CTDCP.com) website, on the Empower app, or by calling Empower at **844-505-7283**.

The attached Payroll Cut-off Schedule shows the date on which contribution changes will become effective, based on the date each request is received by Empower. If a contribution change is requested after an employee's limit has been reached, the change will take effect in the following year.

An employee's current contribution elections will continue for 2026, unless the employee initiates a change. Nevertheless, **all** employees are encouraged to review their first paycheck in January 2026 to confirm that their 457 and/or 403(b) plan contribution amount is correct.

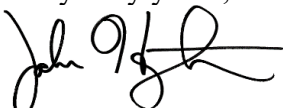
### **IV. Monitoring Annual Contributions**

The system suspends contributions **automatically** once an employee's IRS limit is reached. However, employees are still encouraged to monitor their total plan contributions to avoid exceeding the IRS limit.

### **V. Conclusion**

Payroll and Human Resources Personnel are encouraged to provide this information to all employees. Questions regarding the 457 and 403(b) plans should be directed to Empower, either by calling 844-505-SAVE (7283) or visiting the dedicated website for the State of Connecticut defined contribution plans at [www.CTDCP.com](http://www.CTDCP.com). Employees may also contact the Retirement Services Division at [DeferredCompPlans@ct.gov](mailto:DeferredCompPlans@ct.gov).

Very truly yours,



John W. Herrington  
Director