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Kathleen D. Baxter, PhD, CGFM, CPM
State Comptroller

MEMORANDUM

TO: All Payroll Clerks/Personnel Officers

FROM: Kathleen D. Baxter
State Comptroller 

DATE: January 8, 2026

SUBJECT: 2026 Payroll Deduction Limits for Pre-tax Deferrals and Roth Plans

The pre-tax deferral and Roth limits have increased for the 2026 calendar year. The chart below outlines these changes. Employees ages 50–59 and those over age 63 with deferred compensation or Roth plan deductions should be set up with the Age 50+ catch-up deduction codes. Employees ages 60–63 should be set up with the Age 60–63 super catch-up deductions. This change is effective for the January 16, 2026, paycheck. The “Employees with Deferred Comp Age 50 Plus Report” and “Employees with Deferred Comp Age 60-63 Report” will assist you in determining which employees should be updated and are available in the Prelim App and InfoAdvantage.

Tax Year 2026 457B Plan Limits				
Basic Deferral Limit	\$24,500			
*** Age 50+ Catch-Up	An additional \$8,000 (\$24,500 + \$8,000 = \$32,500)			
*** Age 60 - 63 Super Catch-Up	An additional \$11,250 (\$24,500 + \$11,250 = \$35,750)			
Pre-Retirement Catch-Up	Up to \$49,000 (2 times the basic deferral limit)			
*** High-Income Rule (> \$150,000)	Allowed unless income > \$150k	Mandatory Roth for catch-up if income > \$150k		
Deduction Description	Empower Pre-Tax Deduction Plan/Type	Empower ROTH Deduction Plan/Type	RSA-1 Pre-tax Deduction Plan/Type	RSA-1 ROTH Deduction Plan/Type
Basic Deferral Limit	GWEST	RTHGW	PERAF	RTHRS
*** Age 50+ Catch-Up	50GWT	50RGW	50PER	50RRS
Age 60 - 63 Super Catch-Up	CU63G	C63GR	CU63P	C63RR
Pre-Retirement Catch-Up	C/UGW	CURGW	C/UPR	CURRS

Thank you for your attention to this matter.

If you have any questions, please call the Payroll Hotline at 334-242-2188.

KDB/ds