

State of Louisiana  
Office of State Uniform Payroll

Jeff Landry  
Governor

Taylor F. Barras  
Commissioner of Administration



Division of Administration  
P.O. Box 94095  
Baton Rouge, Louisiana 70804-9095  
Phone (225) 342-0713  
Fax (225) 342-1650

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OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2026-36

TO: LaGov HCM Paid Agency Human Resources  
and Employee Administration Staff

FROM: Andrea P. Hubbard  
Director

SUBJECT: IRC §457 and §403(b) Retirement Savings Contribution Limits for  
Calendar Year 2026

For calendar year 2026, the limitations on contributions under §457(e)(15) of the Internal Revenue Code (LaGov HCM plans 457A, 457B, 457C, 457D, 457R, 457S and ROTH) and §403(b) of the IRS code (IT14 403(b) deductions) have changed. The plan limits for employees under the age of 50 have changed from \$23,500 to \$24,500 per year or 100% of includible compensation (gross wages paid minus deferred retirement contributions), whichever is less. The limit has increased from \$31,000 to \$32,500 for employees age 50 or over. **The 2026 Secure 2.0 “Super Catch Up” limit is \$35,750 for employees ages 60, 61, 62 and 63.** The catch-up limit for the §457(e)(15) has changed from \$47,000 to \$49,000 per year. Certain criteria must be met to be eligible for the special catch-up contribution provision. Other limits under §403(b) may apply based on certain allowable elections made by the employee. Refer to the employee application or contact the vendor to determine if an employee is exercising an allowable election.

Beginning Jan. 1, 2026, if an employee earned \$150,000 or more in Social Security wages (Box 3 "Social Security wages" on W-2 form) in 2025, age 50+ or age 60-63 catch-up contributions must be made as Roth (after-tax) contributions. Special catch-up contributions are not subject to this requirement. Standard contributions can still be made on a pre-tax basis.

Employees enrolled in LA Deferred Compensation in lieu of Social Security/Retirement (LaGov HCM Plan Code 457R) contribute 7.5% on compensation equal to the Social Security wage base limit. The wage base limit increased to \$184,500 for calendar year 2026. LaGov HCM will automatically stop deductions when this limit is reached. Refer to the [Deferred Compensation \(457R\) Plan in Lieu of Retirement procedure](#) for additional information on 457R Plan eligibility.

**Note:** Employees who are enrolled in both post-tax and pre-tax options (457R, 457S, and ROTH LaGov HCM plans) may contribute a total of \$24,500 combined. Employees who work in agencies where both the §457 and §403(b) plans are available may fully contribute to the annual contribution limits in both plans. Employees may contact the LA Deferred Compensation Plan staff at 225.926.8082 extension “0” or toll free at 800.937.7604 or their respective §403(b) provider for more information.

Agencies are responsible for monitoring employee contribution amounts throughout the year to avoid employees exceeding the annual limits. Refer to the [IRC §457 and §403\(b\) Voluntary Retirement Savings Contributions](#) procedure for more information.

Agencies should contact LA Deferred Compensation Plan staff on questions regarding §457 deductions and the special catch-up contribution provision. Agencies should contact the individual vendor on questions regarding §403(b) deductions. Agencies can also visit the IRS website (<http://www.irs.gov>) for more information about contributions and tax shelters.

Direct questions to a member of the [OSUP Wage and Tax Administration Unit](#). Contact information is available on the [staff directory page](#).

APH:LC//RL