

8 RULES TO HELP NAVIGATE THE MULTIPLE PLAN CONTRIBUTION LIMITS

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More and more Americans are taking on “side gigs” or switching jobs. When that happens, they often wind up participating in two different employer retirement plans at the same time or in the same year. Here are 8 rules to help you understand how the plan contribution limits apply in those cases:

- 1. There are two different plan contribution limits – the “deferral limit” and the “overall limit.”*
- 2. For 2026, the regular deferral limit for combined pre-tax and Roth contributions is \$24,500. However, two catch-up contributions are available. If you’re age 50 or older by the end of the year, you can defer up to an additional \$8,000, for a total of \$32,500. And if you’re age 60–63 by year end, you can defer up to an additional \$11,250, for a total of \$35,750.*
- 3. Non-Roth after-tax contributions, if allowed by the plan, do not count toward the annual deferral limit. (But they do count toward the overall limit, discussed later.)*
- 4. The deferral limit is a per-employee limit. It’s based on the total pre-tax and Roth contributions you make to all your plans in one calendar year. Contributions to all plans are aggregated even if the plans are sponsored by companies that aren’t related under the tax rules.*

Example 1: Mira, age 48, participates in a company 401(k) plan through her regular job with Alpha Solutions and also has a solo 401(k) through a computer repair side business. Alpha and her side business are not related entities. By October 2026, Mira has contributed \$20,500 of Roth elective deferrals to Alpha’s 401(k) and \$4,000 of pre-tax deferrals to her solo 401(k). Even though the companies aren’t related, Mira can’t make any additional deferrals to either plan because her combined 2026 deferral total has already reached the \$24,500 limit.

- 5. There’s one instance where contributions to all plans are not aggregated: If you’re eligible for both a 457(b) plan and either a 401(k) or a 403(b) plan, you can defer up to the maximum limit to each plan.*
- 6. For 2026, the overall limit (also known as the “annual additions limit” or “415 limit”) is \$72,000, or higher if you make catch-up contributions.*
- 7. The overall limit sets the maximum amount of all contributions that can be allocated to your plan account in any year. This includes pre-tax and Roth elective deferrals, after-tax employee contributions, employer contributions, and forfeitures.*

8. *Normally, the overall limit applies on a per-plan basis. However, if your company has more than one plan, contributions to all plans are combined for the overall limit. That's also the case for contributions to separate plans sponsored by two or more companies that are related under the tax rules. But, if you're in two plans sponsored by unrelated companies, you get the benefit of a separate overall limit for each plan.*

Example 2: Alpha Solutions and Mira's computer business (from Example 1) are considered unrelated businesses. So, for 2026, Mira has a separate overall limit for each 401(k) plan and could theoretically have a total of \$144,000 ($\$72,000 \times 2$) of combined contributions made between the two plans. However, to achieve that result, she would have to make a large amount of after-tax employee contributions and/or receive a large amount of employer contributions. In any case, Mira's total combined 2026 pre-tax and Roth elective deferrals between the two plans is still capped at \$24,500.

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