

Annual Inflation and Mileage Update 2026

The IRS makes adjustments annually for certain tax items that are required to be inflation-adjusted. The tables below provide the inflation-adjusted amounts for 2026 that are most relevant to nonprofit organizations.

Standard Auto Mileage Rate

Business	72.5¢ per mile
Medical (and moving for certain members of the Armed Forces)	20.5¢ per mile
Charitable	14¢ per mile

Exclusion Amounts for “Token” Premiums That Can Be Disregarded for Purposes of Quid Pro Quo Contributions

Fair market value of all items received by donor does not exceed the lesser of \$139 or 2% of the contribution amount, or

The payment to the charity is \$69.50 or more, the premiums sent in the connection with the contribution bear the charity’s name or logo, and the cost to the charity of all such items sent to a single donor during a one-year period does not exceed \$13.90.

Limits on Employee Salary Deferrals for 401(k) and 403(b) (Other Than SIMPLE Plans)

Individuals born after 1976	\$24,500
Individuals born before 1977*	\$32,500
Individuals born between 1963 and 1966*	\$35,750

*Beginning in 2026, catch-up contributions made by certain higher-income participants must be designated as after-tax Roth contributions.

Social Security Wage Base

\$184,500

Foreign Earned Income Exclusion for Individuals Working Abroad

\$132,900

Level of Compensation Causing a Nonprofit Employee to Be Considered “Highly Compensated” for Purposes of Certain Qualified Benefit Plans*

\$160,000

* The compensation used in determining whether an individual is highly compensated for this purpose is that of the prior year. Thus, the amount above is the threshold of compensation paid to an employee in 2026 that, if exceeded, will cause the employee to be considered a highly compensated employee in 2027. (A person is considered a highly compensated employee in 2026 if they received more than \$160,000 of compensation in 2025.) The definition of “compensation” varies depending on the specific circumstances, but it generally does not include a validly designated clergy housing allowance within allowable limits.

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Annual Cap on Deductible Payins to Health Savings Accounts (HSAs)	
Single coverage	\$4,400
Family coverage	\$8,750
HSA owners born before 1972	\$1,000 more than the amounts listed
Monthly Parking Value Exclusion (Qualified Transportation Fringe Benefit)	
\$340	
Qualified Charitable Distributions	
Annual limit on tax-free qualified charitable distributions (QCD) from traditional Individual Retirement Accounts (IRAs) for individuals 70½ and older	\$111,000
Limit on a one-time QCD from a traditional IRA to a charitable gift annuity or charitable remainder trust <i>(While not completely clear, it appears that the one-time distribution is counted as a part of the annual QCD limit noted above. We expect that the IRS will release guidance that clarifies this point.)</i>	\$55,000

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Last updated: 01/05/2026