



Bedford Public Schools

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To: Employees of Bedford Public Schools
From: Bedford Public Schools Business Services
Re: Important Updates for 2026
Date: January 4, 2026

Bedford Public Schools Business Services would like to bring to your attention the following important items for the 2026 calendar year.

1. Annuity contribution limit changes for 2026 are as follows:

Contributions Guidelines

Basic Annual Limit

\$24,500 for 2026 and \$23,500 for 2025.

The calendar year limits for elective deferrals are defined as 100% of compensation up to \$24,500 for 2026 and was \$23,500 for 2025. This limit applies to all employees.

Service Based "Catch-up" Limit - 402(g) - Applicable to 403(b) Only

Employees with fifteen or more years of service with the school district may be eligible for a special higher annual limit of \$27,500 for 2026 (\$3,000 additional per year). To qualify, a participant's prior average annual contributions must not exceed \$5,000 per year. This extra annual amount of \$3,000 per year is capped at a cumulative limit of \$15,000. The participant's age is not a factor for determining eligibility for this higher limit. Employees who qualify for this catch-up must take this amount prior to taking advantage of the Age-Based Catch-up. The special Catch-Up provision is calculated and used prior to using the Age-Based additional amount.

Excess contributions occur when the total contributions are greater than the maximum contribution limit (MAC), resulting in additional taxes and/or penalties.

Age Based Additional Amount¹

2026

- Employees who are age 50-59 or 64 or older on December 31, 2026, may contribute an additional \$8,000 above the basic 2026 annual limit of \$24,500 for a total of \$32,500.*

-or-

- If your employer's Plan provisions allow, employees who are aged 60-63 on December 31, 2026, may contribute an additional \$11,250 above the basic 2026 annual limit of \$24,500 for a total of \$35,750.*

- The Social Security wage threshold for 2025, which is used to determine whether an individual's catch-up contributions to an applicable employer plan for 2026 must be designated as Roth contributions, is increased from \$145,000 to \$150,000.

*Starting January 1, 2025, SECURE 2.0 Act of 2022 included a modification of the rules for participants utilizing the age 50 catch-up in 403(b) and 457(b) plans, which allows employees aged 60 to 63 to make higher catch-up contributions the greater of an additional \$10,000 per year or 150% (\$11,250) of the regular age 50 catch-up amount for that year. There is no change to the \$11,250 limit for 2026. -Please note that your employer must allow this feature per adopted Plan provisions. ¹

2. Annuity Contributions: Bedford Public Schools continually strives to offer and educate staff about our unique and advantageous benefits. One such benefit is our elective retirement savings plan(s) that employees can utilize to help provide financial security at retirement. In order to ensure you receive information about this benefit, we are pleased to provide you with a newsletter that has been prepared by the compliance administrator for our plan(s), U.S. OMNI & TSACG Compliance Services (OMNI/TSACG). In addition to providing information about our plan(s), OMNI/TSACG also offers a Financial Wellness website that covers areas such as managing personal finances, college funding options, and how to navigate Social Security when the time comes. You will find calculators, videos, and informative content on various topics to help guide you in your planning process.
3. The IRS mileage reimbursement rate increased on January 1, 2026 to \$0.725 per mile. A 2026 Mileage Reimbursement Request and the In-District Mileage Chart can be found on the district website in the Staff Resources Employee Forms area.
4. Effective January 1, 2026 the meal allowance for employees who travel for school business remains \$50 per day. This applies to meals that are not provided by another source (conference, etc.) for overnight stays. More specifics can be found in the Business Services Guide.
5. The Business Services Guide has been updated with additional guidance on expense reimbursement (see page 5) and mileage reimbursement (see page 6).
6. Minimum Wage in Michigan increased from \$12.48 per hour to \$13.73 per hour on January 1, 2026. The 85% rate for minors aged 16 and 17 increased to \$11.67 per hour.