



2025 RETIREMENT PLAN LIMITS

OVERVIEW

On November 1, 2024, the Internal Revenue Service announced the cost-of-living adjustments affecting dollar limitations for pension plans and other retirement-related items for tax year 2025.

- The 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan contribution limit increases to \$23,500.
- The catch-up contribution limit for employees aged 50 and over remains \$7,500.
- The SIMPLE retirement accounts contribution limit increases to \$16,500.
- The IRA contribution limit remains the same at \$7,000. The additional catch-up contribution limit for individuals aged 50 and over is not subject to an annual cost-of-living adjustment and remains \$1,000.

COST-OF-LIVING ADJUSTED LIMITS FOR 2025

Plan Limits for Plan Year	2025	2024	2023	2022
401(k), 403(b), 457 Elective Deferral Limit	\$23,500	\$23,000	\$22,500	\$20,500
Catch-Up Contribution Limit	\$7,500	\$7,500	\$7,500	\$6,500
Annual Compensation Limit	\$350,000	\$345,000	\$330,000	\$305,000
Defined Contribution Limit	\$70,000	\$69,000	\$66,000	\$61,000
Defined Benefit Limit	\$280,000	\$275,000	\$265,000	\$245,000
Definition of Highly Compensated Employee	\$160,000	\$155,000	\$150,000	\$135,000
Key Employee	\$230,000	\$220,000	\$215,000	\$200,000
SIMPLE Employee Deferrals	\$16,500	\$16,000	\$15,500	\$14,000
SIMPLE Catch Up Deferrals	\$3,500	\$3,500	\$3,500	\$3,000
SEP Minimum Compensation	\$750	\$750	\$750	\$650
SEP Annual Compensation Limit	\$350,000	\$345,000	\$330,000	\$305,000
IRA Contribution Limit	\$7,000	\$7,000	\$6,500	\$6,000
IRA Catch-Up Contributions	\$1,000	\$1,000	\$1,000	\$1,000
Social Security Wage Base	\$176,100	\$168,600	\$160,200	\$147,000

Source: IRS Notice 2024-80: <https://www.irs.gov/pub/irs-drop/n-24-80.pdf>