

2025 Cost of Living Adjustments

On November 1, 2024, the Internal Revenue Service issued Notice 2024-80.

The 2025 dollar limits are as follows:

Limit	2025	2024
Defined Benefit Plan The lesser of the maximum dollar limitation for annual benefits under defined benefit plans under Internal Revenue Code (IRC) Section 415(b)(1)(A) or 100% of the participant's average compensation for his high 3 years.	\$280,000	\$275,000
Defined Contribution Plan 415 Dollar Limit The lesser of the dollar limitation for annual additions under defined contribution plans under IRC Section 415(c)(1)(A) or 100% of compensation.	\$70,000	\$69,000
401(k)/403(b)/Existing SARSEP Elective Deferral Limit The limitation on cumulative elective deferrals(including designated Roth contributions) to a 401(k), 403(b) tax deferred annuity, simplified employee pension, and SIMPLE retirement plan in a tax year, as coordinated under IRC Section 402(g)(1).	\$23,500	\$23,000
457 Deferral Limit The lesser of the limitation on vested contributions to 457 plans under IRC Section 457(e)(15) or 100% of includible compensation.	\$23,500	\$23,000
403(b) Limit, Including 15 Years of Service Catch-up The maximum available 402(g) elective deferral limit plus the special catch-up election for employees participating in a 403(b) tax deferred annuity who have had at least 15 years of service with an educational organization, hospital, home health agency, health and welfare service agency, church or convention or association of churches. <i>Note: The additional 403(b) special catch-up of up to \$3,000 per year cannot exceed cumulatively \$15,000 over the lifetime of the 403(b) participant.</i>	\$26,500	\$26,000
Special 457 Catch-up Limit The special catch-up election for employees participating in an eligible 457 deferred compensation who have elected the special catch-up available in the three years prior to the year of normal retirement age. <i>Note: The participant in a governmental 457(b) plan may make catch-up contributions in a year equal to the greater of (a) the amount permitted under the age 50+ catch-up, or (b) the amount permitted under the 457 catch-up.</i>	\$47,000	\$46,000
Increased Catch-up Limit for Participants Between Ages 60-63 The increased catch-up available under IRC Section 414(v) for individuals at least 60 years old and not more than 63 years old in 2025 to make eligible pre-tax (and/or designated Roth) contributions to 401(k), 403(b), and governmental 457 plans.	\$11,250	N/A
Age 50+ Catch-up Limit The special catch-up available under IRC Section 414(v) for individuals at least 50 years old in 2025 to make eligible pre-tax (and/or designated Roth) contributions to 401(k), 403(b), and governmental 457 plans.	\$7,500	\$7,500

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<p>Definition of Key Employee The compensation threshold used for determining key employees under IRC Section 416(i)(1)(A)(i).</p>	\$230,000	\$220,000
<p>Definition of Highly Compensated Employees The compensation threshold used for determining highly compensated employees under IRC Section 414(q)(1)(B).</p>	\$160,000	\$155,000
<p>Compensation Limit The annual limit of compensation that may be taken into account for contribution purposes in accordance with IRC Section 401(a)(17).</p>	\$350,000	\$345,000
<p>The annual limit of compensation that may be taken into account for contribution purposes in accordance with IRC Section 401(a)(17) (certain governmental plan participants who first became participants in that governmental plan before the 1996 plan year).</p>	\$520,000	\$505,000
<p>Adjusted Gross Income Limit for Saver's Credit The highest adjusted gross income (based on federal income tax filing status) taken into account for eligibility for the Saver's Credit under IRC Section 25B.</p>	<p>\$79,000 (joint) \$39,500 (single) \$59,250 (head of household)</p>	<p>\$76,500 (joint) \$38,250 (single) \$57,375 (head of household)</p>
<p>Deferral Limit for SIMPLE Retirement Accounts Annual contribution limit for employee deferrals to a SIMPLE retirement plan described in IRC Section 408(p)(2) or 401(k)(11).</p>	\$16,500	\$16,000
<p>Compensation for SEPs Compensation taken into account to determine eligibility for simplified employee pensions (SEPs).</p>	\$750	\$750
<p>On October 10, 2024, the Social Security Administration released its cost of living information for 2025:</p>		
<p>Taxable Wage Base Maximum amount of earnings subject to payroll tax.</p>	\$176,100	\$168,600

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