



IRS limits on retirement benefits and compensation

Employee deferrals/ contributions	2025 limit	2025 catch-up	2024 limit	2024 catch-up
401(k), 403(b), most 457	\$23,500		\$23,000	
Age 50 and older		\$7,500		\$7,500
60, 61, 62 and 63 yrs old		\$11,250		\$7,500
Starter 401(k) - deferral only	\$6,000		\$6,000	
Age 50 and older		\$1,000		\$1,000
SIMPLE IRA	\$16,500		\$16,000	
Age 50 and older		\$3,500*		\$3,500*
60, 61, 62 and 63 yrs old		\$5,250*		\$3,500*
IRA Contribution Limit	\$7,000		\$7,000	
Age 50 and older		\$1,000		\$1,000

Based on IRS News Release IR-2024-285, Nov. 1, 2024

*if catch-up is permitted by the SIMPLE IRA plan

Catch-up Limits Beginning in 2025

Due to the SECURE Act 2.0, there is an increase in the catch-up contribution limits for participants who have reached ages 60,61,62 or 63, but not later years.

- For 401(k), 403(b), 457(b), and SARSEP plans, the catch-up limit for this age group is increased to the greater of \$10,000 or 150% of the regular catch-up amount.
- For SIMPLE IRA plans the catch-up limit for this age group is increased to the greater of \$5,000 or 150% of the regular catch-up amount.

These calculations are reflected on the chart above.

	2025	2024
Contribution limits		
Defined Contribution plans (employee and employer combined – not counting catch-up)	\$70,000	\$69,000
Defined Benefit plans (annual benefit)	\$280,000	\$275,000
Compensation/wage		
Annual Compensation Limit	\$350,000	\$345,000
Highly Compensated Employee definition	\$160,000	\$155,000
Key Employee definition	\$230,000	\$220,000
Social Security Wage Base (for integrated plans)	\$176,100	\$168,000
ROTH catch-up wage threshold	\$145,000	\$145,000