

REGULATORY UPDATE

November 2, 2024

IRS ANNOUNCES RETIREMENT PLAN LIMITS FOR 2025

The Internal Revenue Service (IRS) announced cost of living adjustments (COLAs) affecting dollar limitations for retirement plans and other retirement-related items for Tax Year 2025.

For the 2025 year there will be an increase all key retirement plan limits. While there was a \$500 increase to the deferral limit, the Catch-Up limit did not change. However, effective January 1, 2025, the Catch-Up contribution limit for participants between the ages of 60-63 will increase to \$11,250.

It is important that you ensure your payroll system is updated to reflect these new limits starting January 1, 2025. If you have any questions about these changes, please contact our office.

Contribution/Benefit Limits	2025	2024
Elective Deferrals [401(k), 403(b) & 457 plans]	\$23,500	\$23,000
Catch-Up Contribution (Age 50 and older)	\$7,500	\$7,500
Catch-Up Contribution (Age 60 – 63)	\$11,250	N/A
Annual Contribution Limit	\$70,000	\$69,000
Highly Compensated Threshold	\$160,000	\$155,000
Annual Compensation Limit	\$350,000	\$345,000
DB Plan Annual Benefit Limit	\$280,000	\$275,000
Key Employee Compensation	\$230,000	\$220,000
Simple Employee Deferral	\$16,500	\$16,000
Simple Catch-Up Contribution	\$3,500	\$3,500

As published by the Internal Revenue Service.

For full details on the pension plan limitations for 2025 click [here](#).

For more information contact our team @ 407.585.1160.