

Publications

2025 Retirement Plan Limits Announced

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On November 1, 2024, the IRS issued [Notice 2024-80](#), announcing that many of the key retirement plan limits will increase next year. These limit increases are similar to, though in some cases even more modest than, the 2024 increases, with some limits remaining the same. For example, the limits for catch-up contributions to 401(k), 403(b), governmental 457, and SIMPLE plans remain the same for 2025. Notably, the IRS clarified that the 2025 limit for the new “super” catch-up contributions that are available to these plans (other than SIMPLE plans) for employees aged 60 through 63 is 150% of the 2024 catch-up contribution limit. For SIMPLE plans, the super catch-up contribution limit is 150% of the 2025 catch-up contribution limit.

The Social Security Administration and PBGC also recently announced adjustments for the Social Security wage base, PBGC premiums, etc., for next year. The chart below reflects the key limits, along with other frequently used benefit and compensation items, for 2025.

Retirement Plan Limit Changes

	2024	2025
401(k), 403(b), 457(b) and SARSEP Elective Deferrals	\$23,000	\$23,500
Catch-Up Contributions to 401(k), 403(b) and Governmental 457 Plans	\$7,500	\$7,500
“Super” Catch-Up Contributions to 401(k), 403(b) and Governmental 457 Plans	N/A	\$11,250
Elective Contributions to SIMPLE Plans ¹	\$16,000	\$16,500
Catch-Up Contributions to SIMPLE Plans ²	\$3,500	\$3,500
“Super” Catch-Up Contributions to SIMPLE Plans	N/A	\$5,250

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IRA Contributions	\$7,000	\$7,000
Catch-Up IRA Contributions	\$1,000	\$1,000
Annual Limitation on Compensation	\$345,000	\$350,000
415 Limitation on DB Benefits	\$275,000	\$280,000
415 Limitation on DC Plan Contributions	\$69,000	\$70,000
Highly Compensated Employee Threshold	\$155,000	\$160,000
Key Employee Compensation Threshold	\$220,000	\$230,000
Domestic Abuse Victim Distributions	\$10,000	\$10,300
Social Security Wage Base	\$168,600	\$176,100
PBGC Flat-Rate Premium (Single Employer Plans)	\$101	\$106
PBGC Variable-Rate Premium (Single Employer Plans)	\$52/\$1,000 UVBs	\$52/\$1,000 UVBs

As in 2024, there are also increases in various AGI phase-out ranges for IRA deductions, Roth IRA eligibility, and the Saver's Credit, for example. See [Notice 2024-80](#).

As discussed in [a prior client alert](#), the IRS also recently issued the majority of 2025 limits applicable to health and welfare benefits. [Rev. Proc. 2024-40](#) (Oct. 22, 2024). These limits are in addition to those that the IRS issued earlier this year. [Rev. Proc. 2024-25](#) (May 9, 2024).

¹ Pursuant to a change made in SECURE 2.0, individuals can contribute a higher amount to certain SIMPLE retirement accounts/plans of small employers. For 2025, this higher amount is \$17,600.

² Under a change made in SECURE 2.0, a different catch-up limit applies for employees aged 50 and over who participate in certain SIMPLE retirement accounts/plans of small employers. For 2025, this limit is \$3,850.