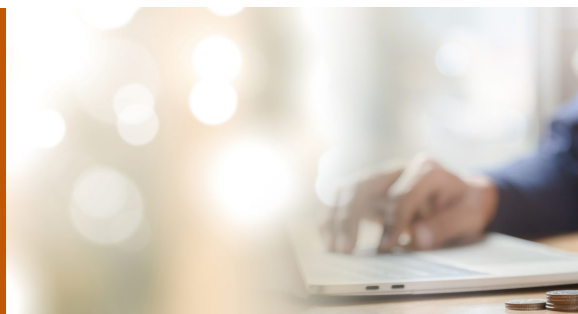


Alert: Important Updates on 2025 IRS Retirement Plan Limits + NEW Catch-up Contribution limits for certain ages

NOVEMBER 6, 2024 | BY: THE RETIREMENT PLAN ADMINISTRATION TEAM



As we look ahead to 2025, we want to keep you informed about important changes that may impact your retirement planning.

The IRS has recently announced the retirement contribution limits for 2025, reflecting the annual cost-of-living adjustments. This year, there are increases that can enhance your savings potential.

Key Changes for 2025:

- ****NEW for 2025** Catch-Up Contributions, ages 60- 63:** The IRS has added a NEW catch-up contribution opportunity for those aged 60- 63 in 2025. The available catch-up contribution total is \$11,250 for the year. This is \$3,750 higher than the standard \$7,500 catch-up contribution available to ages 50+. Example: Jacob, age 58, can defer up to \$31,000 in 2025. Christi, age 62, can defer up to \$34,750 in 2025.
- **401(k) Contribution Limit:** The limit for employee contributions to 401(k) plans will increase to \$23,500.
- **IRA Contribution Limit:** The contribution limit for Traditional and Roth IRAs will remain at the current limit of \$7,000.

These adjustments provide a valuable opportunity to maximize your retirement savings and ensure a more secure financial future for you and your employees.

Contribution and Benefit Limits	2025	2024	Increase
401(k), Roth 401(k), and 403(b)	\$23,500	\$23,000	\$500
401(k), Roth 401(k), and 403(b) Catch-up Contributions	\$7,500	\$7,500	\$0
NEW for 2025 Catch-up for those age 60-63	\$11,250	\$7,500	\$3,750
3% Safe Harbor Non-Elective Contrib. Maximum	\$10,500	\$10,350	\$150
4% Safe Harbor Match Contrib. Maximum	\$14,000	\$13,800	\$200
Annual Contribution Limit	\$70,000	\$69,000	\$1,000
Annual Contribution Limit, incl. Catch-up Contribs.	\$77,500	\$76,500	\$1,000
Annual Contribution Limit, incl. Catch-up Contribs. age 60-63	\$81,250	\$76,500	\$4,750
SIMPLE IRA Elective Deferrals	\$16,500	\$16,000	\$500
SIMPLE IRA Catch-up Contributions	\$3,500	\$3,500	\$0
NEW for 2025 SIMPLE IRA Catch-up for those age 60-63	\$5,250	\$3,500	\$1,750
Traditional IRA and Roth IRA Contributions	\$7,000	\$7,000	\$0
IRA Catch-up Contributions	\$1,000	\$1,000	\$0
Maximum Plan Compensation	\$350,000	\$345,000	\$5,000
Social Security Wage Base	\$176,100	\$168,600	\$7,500

If you have any questions or would like to discuss your retirement strategy, please don't hesitate to reach out. Our team is here to assist you in navigating these changes.

Thank you for your continued trust in Johnson O'Connor. Stay tuned for more updates throughout the year.

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