



## IRS ANNOUNCES PENSION PLAN LIMITATIONS FOR 2025 AND OTHER ADJUSTMENTS

The Internal Revenue Code provides for dollar limitations on benefits and contributions under qualified retirement plans. Code §415 requires the limits to be adjusted annually for cost-of-living increases if statutory thresholds are met. **The IRS announced on November 1, 2024 cost-of-living adjustments applicable to dollar limitations for pension plans and other retirement-related items for tax year 2025. Some employee contribution limits remain unchanged.**

Please refer to the following IRS site for additional information:

<https://www.irs.gov/newsroom/401k-limit-increases-to-23500-for-2025-ira-limit-remains-7000>

Code Section	Past Calendar Years				
	2025	2024	2023	2022	2021
<b>IRAs</b>					
IRA Contribution Limit - 219(b)(5)(A)	7,000	7,000	6,500	6,000	6,000
IRA Catch-Up Contributions - 219(b)(5)(B) - over age 50	1,000	1,000	1,000	1,000	1,000
Traditional IRA Deduction Phase-out: Modified Adjusted Gross Income (AGI) starting at:					
Married Couples Filing Joint Return *	126,000	123,000	116,000	109,000	105,000
Single or Head of Household *	79,000	77,000	73,000	68,000	66,000
Roth IRA Phase-out for making contributions: Modified Adjusted Gross Income (AGI) starting at:					
Married Couples Filing Joint Return *	236,000	230,000	218,000	204,000	198,000
Single or Head of Household *	150,000	146,000	138,000	129,000	125,000
<b>SEP Plans</b>					
SEP Minimum Compensation - 408(k)(2)(C)	750	750	750	650	650
SEP Maximum Compensation - 408(k)(3)(C)	350,000	345,000	330,000	305,000	290,000
<b>SIMPLE Plans</b>					
SIMPLE Elective Deferral Contributions - 408(p)(2)(E)	16,500	16,000	15,500	14,000	13,500
SIMPLE Catch-up Contributions - 414(v)(2)(B)(ii)	3,500	3,500	3,500	3,000	3,000
SIMPLE Catch-up Contributions - 414(v)(2)(E)(ii) - ages 60-63	5,250	-	-	-	-
<b>401(k), 403(b), Profit-Sharing Plans, etc.</b>					
Maximum Annual Compensation - 401(a)(17)/404(l)	350,000	345,000	330,000	305,000	290,000
401(k) Elective Deferrals - 402(g)(1) - Aggregate Total Pre-Tax and/or Roth	23,500	23,000	22,500	20,500	19,500
Catch-up Contributions - 414(v)(2)(B)(i) - over age 50	7,500	7,500	7,500	6,500	6,500
Catch-up Contributions - 414(v)(2)(B)(i) - ages 60-63	11,250	-	-	-	-
Defined Contribution Plans - Annual Contribution Limit - 415(c)(1)(A)	70,000	69,000	66,000	61,000	58,000
ESOP Limits - 409(o)(1)(C) - for determining max act balance in an ESOP subject to 5-year distrib period & determine lengthening of 5-year distrib period.	1,415,000	1,380,000	1,330,000	1,230,000	1,165,000
	280,000	275,000	265,000	245,000	230,000
<b>Other Limits</b>					
HCE Compensation Threshold - 414(q)(1)(B)	160,000	155,000	150,000	135,000	130,000
Defined Benefit Limits - 415(b)(1)(A)	280,000	275,000	265,000	245,000	230,000
Key Employee (Officer) Threshold - 416(i)(1)(A)(i)	230,000	220,000	215,000	200,000	185,000
457 Elective Deferrals - 457(e)(15)	23,500	23,000	22,500	20,500	19,500
Social Security Taxable Wage Base	176,100	168,600	160,200	147,000	142,800

\* Please see additional information on next page regarding IRA contribution related phase-out ranges and AGI limits for saver's credit.

**Traditional IRA contribution phase-out ranges: you can make an IRA contribution but how much is deductible for tax purposes?**

\* If neither spouse of a married couple (or a single individual) is considered “covered” by a workplace retirement plan (ie, no contributions, made by either the employee or employer, or re-allocated forfeitures have been made or allocated to his/her plan accounts) - then 100% of an IRA contribution is deductible. In this situation, there are NO income limits

\* If only one spouse of a married couple is considered “covered” by a workplace retirement plan (the other spouse is NOT “covered” by a plan) - then the deductibility of a Traditional IRA contribution by the non-“covered” spouse has a different phase-out range.

\* If the Modified Adjusted Gross Income is within the phase-out range, then only a portion of the IRA contribution is deductible - with the amount deductible decreasing as you approach the ending limit.

	2025	2025	2024	2024
	Starting point for phase out - full deduction under this limit	Ending point for phase out - no deduction if equal to or above this limit	Starting point for phase out - full deduction under this limit	Ending point for phase out - no deduction if equal to or above this limit
Traditional IRA Deduction Phase-out - Modified Adjusted Gross Income (AGI) starting at:				
Married Couples Filing Joint Return (or qualifying widow(er)) - both spouses are "covered" by a workplace retirement plan	126,000	146,000	123,000	143,000
Married Couples Filing Joint Return (or qualifying widow(er)) - one spouse is "covered" by a workplace retirement plan / phase-out range for deductibility of IRA contribution made by spouse NOT "covered"	236,000	246,000	230,000	240,000
Single or Head of Household - "covered" by a workplace retirement plan	79,000	89,000	77,000	87,000

**ROTH IRA contribution phase-out ranges: you may or may not be able to make a full or partial contribution to a Roth IRA.**

	2025	2025	2024	2024
	Starting point for phase out - full contribution under this limit	Ending point for phase out - no contribution if equal to or above this limit	Starting point for phase out - full contribution under this limit	Ending point for phase out - no contribution if equal to or above this limit
Roth IRA Phase-out for making contributions - Modified Adjusted Gross Income (AGI) starting at:				
Married Couples Filing Joint Return	236,000	246,000	230,000	240,000
Single or Head of Household	150,000	165,000	146,000	161,000

**AGI Limit for saver’s credit (also known as the retirement savings contribution credit) for the low- and moderate-income workers (sections 25B(b)(1)(C) & 25B(b)(1)(D)):**

	2025	2024
Married Couples Filing Joint Return	79,000	76,500
Head of Household	59,250	57,375
Married Individuals Filing Separately and Singles	39,500	38,250

Please also refer to the following IRS sites for more information on the savers credit: <http://www.irs.gov/Credits-&-Deductions>

**Qualified Charitable Distribution (QCD):** A distribution option that can only be made from an IRA. A QCD allows for the direct transfer of funds from the IRA to a qualified charity (donation) that is excluded from taxes and can count towards satisfying an RMD. QCDs are most often made from Traditional (Pre-Tax) IRA accounts.

	2025	2024
Age 70½ or older - potential maximum amount for QCD	108,000	105,000

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