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Increased Retirement Plan Savings for Folks Age 60 Through 63

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In 2025, if you find yourself turning 60, 61, 62 or 63 years old, then you can do an extra “catch-up” for your retirement savings. I’ll be 60 in 2025, so I am following this rule carefully since I love saving and I have contributed the annual maximum every year of my entire working life.

In 2025, the annual contribution limit for employees age 50 and younger who participate in 401(k), 403(b), governmental 457 plans, and the federal government’s Thrift Savings Plan is increased to \$23,500, up from \$23,000.

Should you find yourself turning 60, 61, 62, or 63 by the end of the calendar year 2025, then under the SECURE 2.0 Act which was signed into law December 2022, there is an extra catch up being phased in this next year, 2025. It seems that the legislators believe that people in this age group may have higher earnings potential and can benefit the most from a higher catch-up.

The catch-up amount for those ages 60, 61, 62, and 63 in 2025 is \$11,250 extra. Therefore, participants in this age bracket can contribute \$23,500 plus the catch up of \$11,250 or \$34,750.

Here is a table to pinpoint where you fall if you want to maximize your contributions.

Age by 12/31/2025	Under Age 50	Age 50 – 59	Age 60, 61, 62, 63	Age 64 and up
Contribution Limit	\$23,500	\$23,500	\$23,500	\$23,500
Catch Up	\$0	\$7,500	\$11,250	\$7,500
Total	\$23,500	\$31,000	\$34,750	\$31,000

With the increasing complexity of rules surrounding retirement accounts, we at McCarthy Wealth Management are here to help! Please contact us at info@MWMplanners.com with any questions about retirement planning or specific questions about how these rules affect you.

If you will be turning 60 like me next year, remember 60 is the new 40 and embrace it! You are a perfect 10 times 6!