



Retirement Planning Key Numbers

Certain retirement plan and IRA limits rose for 2025. These tables offer an overview of the changes.



¹ *Must aggregate employee deferrals to all 401(k), 403(b), SAR-SEP, and SIMPLE plans of all employers; 457(b) contributions are not aggregated. For SAR-SEPs, the percentage limit is 25% of compensation reduced by elective deferrals (effectively a 20% maximum contribution).*

² *Special catch-up limits may also apply to 403(b) and 457(b) plan participants.*

Elective deferral limits	2024	2025
401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs ¹ (includes Roth contributions)	Lesser of \$23,000 or 100% of compensation (\$30,500 if age 50 or older) ²	Lesser of \$23,500 or 100% of compensation (\$31,000 if age 50 or older; \$34,750 if age 60 to 63) ²
SIMPLE 401(k) plans and SIMPLE IRA plans ¹	Lesser of \$16,000 or 100% of compensation (\$19,500 if age 50 or older)	Lesser of \$16,500 or 100% of compensation (\$20,000 if age 50 or older; \$21,750 if age 60 to 63)
SIMPLE 401(k) plans and SIMPLE IRA plans with 25 or fewer employees (or those that elect these higher limits) ¹	Lesser of \$17,600 or 100% of compensation (\$21,450 if age 50 or older)	Lesser of \$17,600 or 100% of compensation (\$21,450 if age 50 or older; \$22,850 if age 60 to 63)
Starter 401(k) plans and safe-harbor 403(b) plans	Between 3% and 15% of annual compensation up to a maximum of \$6,000 (\$7,000 if age 50 or older)	Between 3% and 15% of annual compensation up to a maximum of \$6,000 (\$7,000 if age 50 or older)

IRA contribution limits	2024	2025
Traditional and Roth IRAs	Lesser of \$7,000 or 100% of earned income (\$8,000 if age 50 or older)	Lesser of \$7,000 or 100% of earned income (\$8,000 if age 50 or older)

Defined benefit plan annual benefit limits	2024	2025
Annual benefit limit per participant	Lesser of \$275,000 or 100% of average compensation for highest three consecutive years	Lesser of \$280,000 or 100% of average compensation for highest three consecutive years

Defined contribution plan limits [qualified plans, 403(b) plans, and SEP plans]	2024	2025
Annual addition limit per participant (employer contributions; employee pre-tax, after-tax, and Roth contributions; and forfeitures)	Lesser of \$69,000 or 100% (25% for SEP) of participant's compensation	Lesser of \$70,000 or 100% (25% for SEP) of participant's compensation
Pension-linked emergency savings accounts (maximum amount attributable to employee deferrals)	\$2,500	\$2,500

Retirement plan compensation limits	2024	2025
Maximum compensation per participant that can be used to calculate tax-deductible employer contribution (qualified plans/SEPs)	\$345,000	\$350,000
Compensation threshold used to determine a highly compensated employee	\$155,000 (when 2024 is the look-back year)	\$160,000 (when 2025 is the look-back year)
Compensation threshold used to determine a key employee in a top-heavy plan	\$1 for more-than-5% owners \$220,000 for officers \$150,000 for more-than-1% owners	\$1 for more-than-5% owners \$230,000 for officers \$150,000 for more-than-1% owners
Compensation threshold used to determine a qualifying employee under a SIMPLE plan	\$5,000	\$5,000
Compensation threshold used to determine a qualifying employee under a SEP plan	\$750	\$750

Income phase-out range for determining deductibility of traditional IRA contributions for taxpayers:	2024	2025
1. Covered by an employer-sponsored plan and filing as:		
Single/Head of household	\$77,000 - \$87,000	\$79,000 - \$89,000
Married filing jointly	\$123,000 - \$143,000	\$126,000 - \$146,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000
2. Not covered by an employer-sponsored retirement plan, but filing joint return with a spouse who is covered by a plan	\$230,000 - \$240,000	\$236,000 - \$246,000

Income phase-out range for determining ability to fund a Roth IRA for taxpayers filing as:	2024	2025
Single/Head of household	\$146,000 - \$161,000	\$150,000 - \$165,000
Married filing jointly	\$230,000 - \$240,000	\$236,000 - \$246,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000

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