



On November 1, 2024, the Internal Revenue Service (IRS) announced cost of living adjustments affecting dollar limitations for pension plans and other retirement-related items for tax year 2025.

There are eight significant changes that will take place for 2025:

- Annual elective deferrals limits for 401(k), 403(b) and 457 plans will increase from \$23,000 to \$23,500
- Enhanced Aged 60-63 Catch-Up Contributions limit is \$11,250
- Annual Defined Contribution limit will increase from \$69,000 to \$70,000
- Defined Benefit maximum benefit limit will increase from \$275,000 to \$280,000
- Annual compensation limit will increase from \$345,000 to \$350,000
- Highly Compensated Employee limit will increase from \$155,000 to \$160,000
- Top Heavy Key Employee limit will increase from \$220,000 to \$230,000
- Social Security Wage Base limit will increase from \$168,600 to \$176,100

COLA Increases for Dollar Limitations on Benefits and Contributions

	2025	2024	2023	2022
401(k), 403(b) and 457(b) Elective Deferrals	\$23,500	\$23,000	\$22,500	\$20,500
Age 50 Catch-Up Contributions	\$7,500	\$7,500	\$7,500	\$6,500
Enhanced Age 60-63 Catch-Up Contributions	\$11,250	N/A	N/A	N/A
Annual Contributions to DC Plans	\$70,000	\$69,000	\$66,000	\$61,000
Annual Benefits from DB Plans	\$280,000	\$275,000	\$265,000	\$245,000
Annual Compensation Limit	\$350,000	\$345,000	\$330,000	\$305,000
Highly Compensated Employee (HCE)	\$160,000	\$155,000	\$150,000	\$135,000
Top Heavy Key Employee – Officer Test	\$230,000	\$220,000	\$215,000	\$200,000
Social Security Taxable Wage Base	\$176,100	\$168,600	\$160,200	\$147,000

To learn more about the Fiduciary Pension Partners Team and Service deliverables: <https://www.fiduciarypp.com/who-we-are/>
 For more information about retirement plan limits, please visit <https://www.irs.gov/pub/irs-drop/n-23-75.pdf>

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