

Insights

IRS RELEASES 2025 ADJUSTED QUALIFIED PLAN LIMITATIONS

Nov 11, 2024

The Internal Revenue Service released the cost-of-living adjusted qualified retirement plan and welfare plan limitations effective January 1, 2025. For ease of reference and comparison to prior years, we have placed the adjusted limitations in a table below. For more information, refer to:

- [IRS Notice 2024-80](#)
- [Rev. Proc. 2024-25](#)
- [Rev. Proc 2024-40](#)
- [Social Security Administration's 2025 Cost-of Living Adjustment Fact Sheet~](#)

Type of Limitation	2025	2024	2023	2022	2021
Elective Deferrals					
401(k), 403(b) & 457(e)(15)	\$23,500	\$23,000	\$22,500	\$20,500	\$19,500
SIMPLE Salary Deferral	\$16,500	\$16,000	\$15,500	\$14,000	\$13,500
Catch-Up Deferrals					
401(k), 403(b), 457(b), & SARSEP					
Age 50+	\$7,500	\$7,500	\$7,500	\$6,500	\$6,500
Age 60-63	\$11,250	N/A	N/A	N/A	N/A
*Separate rules apply to 457(b)(3) & 402(g)					
Catch-Up Deferrals to SIMPLE	\$3,500	\$3,500	\$3,500	\$3,000	\$3,000
401(k) or SIMPLE IRA plans:	\$3,850	\$3,850	N/A	N/A	N/A
Age 50+	\$5,250	N/A	N/A	N/A	N/A

Certain new plan sponsors: Age 60-63					
415 Limit: Defined Benefit Plans	\$280,000	\$275,000	\$265,000	\$245,000	\$230,000
415 Limit: Defined Contribution Plans	\$70,000	\$69,000	\$66,000	\$61,000	\$58,000
401(a)(17) Annual Compensation Limit	\$350,000	\$345,000	\$330,000	\$305,000	\$290,000
414(q)(1)(B) Highly Compensated Employee	\$160,000	\$155,000	\$150,000	\$135,000	\$130,000
Domestic Abuse Victim Distribution	The lesser of \$10,300 or 50% of the vested accrued benefit	The lesser of \$10,000 or 50% of the vested accrued benefit	N/A	N/A	N/A
Pension Linked Emergency Savings Account	\$2,500	\$2,500	N/A	N/A	N/A
Key Employee in Top Heavy Plan (officer)	\$230,000	\$220,000	\$215,000	\$200,000	\$185,000
ESOP Maximum Balance Subject to 5-Year Distribution Period	\$1,415,000	\$1,380,000	\$1,330,000	\$1,230,000	\$1,165,000
Amount for Lengthening of 5-Year ESOP Distribution Period	\$280,000	\$275,000	\$265,000	\$245,000	\$230,000
Taxable Wage Base	\$176,100	\$168,600	\$160,200	\$147,000	\$142,800
IRA Contribution Limits					
Age 0-49	\$7,000	\$7,000	\$6,500	\$6,000	\$6,000
Age 50+	\$8,000	\$8,000	\$7,500	\$7,000	\$7,000
FICA Tax for Employees & Employers	7.65%	7.65%	7.65%	7.65%	7.65%
Social Security Component	6.2%	6.2%	6.2%	6.2%	6.2%
Medicare Component	1.45%	1.45%	1.45%	1.45%	1.45%
Health Savings Account Limit: single/family	\$4,300/	\$4,150/	\$3,850/	\$3,650/	\$3,600
Age 55+ / \$1,000 catch-up contribution	\$8,550	\$8,300	\$7,750	\$7,300	\$7,200

Health Flexible Spending Account Limit	\$3,300	\$3,200	\$3,050	\$2,850	\$2,750
Optional Carryover Limit ^[1]	\$660	\$640	\$610	\$570	\$550
Dependent Care Flexible Spending Account Limit: married filing jointly/separately *subject to earned income limits ^[2]	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Additional Medicare Tax Withholding	0.9% of comp >\$200,000 for unmarried taxpayers	0.9% of comp >\$200,000 for unmarried taxpayers	0.9% of comp >\$200,000 for unmarried taxpayers	0.9% of comp >\$200,000 for unmarried taxpayers	0.9% of comp >\$200,000 for unmarried taxpayers

^[1] See IRS Notice 2021-15 for special rules for plan years ending in 2020 and 2021.

^[2] See IRS Notice 2021-26 for special rules for 2021.

This article was co-authored by Julie Wagner

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