

IRS Announces Cost of Living Adjustments (COLA) to Retirement Plan Limitations for 2025

Effective date: January 1, 2025

MAXIMUM DOLLAR LIMITS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
401(k) & 403(b) Elective Deferrals (IRC § 402(g)(1))	\$23,500	\$23,000	\$22,500	\$20,500	\$19,500	\$19,500	\$19,000	\$18,500	\$18,000	\$18,000	\$18,000
Regular Catch-Up Elective Deferrals (IRC § 414(v)(2)(B)(i))	\$7,500	\$7,500	\$7,500	\$6,500	\$6,500	\$6,500	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
60-63 Year Old Catch-Up Elective Deferrals (IRC § 414(v)(2)(E)(i))	\$11,250										
Defined Benefit Plan Benefit (IRC § 415(b)(1)(A))	\$280,000	\$275,000	\$265,000	\$245,000	\$230,000	\$230,000	\$225,000	\$220,000	\$215,000	\$210,000	\$210,000
Defined Contribution Plan Contribution (IRC § 415(c)(1)(A))	\$70,000	\$69,000	\$66,000	\$61,000	\$58,000	\$57,000	\$56,000	\$55,000	\$54,000	\$53,000	\$53,000
Annual Compensation Limit (IRC § 401(a)(17) and IRC § 404(l))	\$350,000	\$345,000	\$330,000	\$305,000	\$290,000	\$285,000	\$280,000	\$275,000	\$270,000	\$265,000	\$265,000
Special Annual Compensation Limit for Government Plans ¹	\$520,000	\$505,000	\$490,000	\$450,000	\$430,000	\$425,000	\$415,000	\$405,000	\$400,000	\$395,000	\$395,000
457(b) Deferral (IRC § 457(e)(15))	\$23,500	\$23,000	\$22,500	\$20,500	\$19,500	\$19,500	\$19,000	\$18,500	\$18,000	\$18,000	\$18,000
Highly Compensated Employee (IRC § 414(q)(1)(B)) ²	\$160,000	\$155,000	\$150,000	\$135,000	\$130,000	\$130,000	\$125,000	\$120,000	\$120,000	\$120,000	\$120,000
SIMPLE Plan Deferral (IRC § 408(p)(2)(E))	\$16,500	\$16,000	\$15,500	\$14,000	\$13,500	\$13,500	\$13,000	\$12,500	\$12,500	\$12,500	\$12,500
SIMPLE Plan Catch-Up Elective Deferrals (IRC § 414(v)(2)(B)(iii))	\$3,500	\$3,500	\$3,500	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
SEP Coverage (IRC § 408(k)(2)(C))	\$750	\$750	\$750	\$650	\$650	\$600	\$600	\$600	\$600	\$600	\$600
SEP Compensation (IRC § 408(k)(3)(C) and IRC § 408(k)(6)(D)(ii))	\$350,000	\$345,000	\$330,000	\$305,000	\$290,000	\$285,000	\$280,000	\$275,000	\$270,000	\$265,000	\$265,000
Tax Credit ESOP Maximum Balance (IRC § 409(o)(1)(C)(ii))	\$1,415,000	\$1,380,000	\$1,330,000	\$1,230,000	\$1,165,000	\$1,150,000	\$1,130,000	\$1,105,000	\$1,080,000	\$1,070,000	\$1,070,000
Amount for Lengthening of 5-year ESOP Period	\$280,000	\$275,000	\$265,000	\$245,000	\$230,000	\$230,000	\$225,000	\$220,000	\$215,000	\$210,000	\$210,000
PBGC Monthly Maximum Guarantee (Single Employer Plan - Normal Retirement Age 65)	\$7,431.82	\$7,107.95	\$6,750	\$6,204.55	\$6,034.09	\$5,812.50	\$5,607.95	\$5,420.45	\$5,369.32	\$5,011.36	\$5,011.36
Social Security Tax Wage Base	\$176,100	\$168,600	\$160,200	\$147,000	\$142,800	\$137,700	\$132,900	\$128,400	\$127,200	\$118,500	\$118,500
Key Employee Officer Compensation (IRC § 416(i)(1)(A)(i))	\$230,000	\$220,000	\$215,000	\$200,000	\$185,000	\$185,000	\$180,000	\$175,000	\$175,000	\$170,000	\$170,000
FICA Tax for Employees	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%
FICA Tax for Employers	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%
OASDI Tax for Employees	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%
OASDI Tax for Employers	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%
Medicare Tax for Employees and Employers ³	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%
SECA Tax for Self-Employed Workers	15.30%	15.30%	15.30%	15.30%	15.30%	15.30%	15.30%	15.30%	15.30%	15.30%	15.30%
Social Security Tax for Self-Employed Workers	12.40%	12.40%	12.40%	12.40%	12.40%	12.40%	12.40%	12.40%	12.40%	12.40%	12.40%
Medicare Tax for Self-Employed Workers ⁴	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%

¹The special annual compensation limit for governmental plans applies only to eligible participants in governmental plans which imposed 401(a)(17) limits with indexing on July 1, 1993. The IRS did not publish these special limits for 1996 or 1997; therefore, a plan's actuary may have determined the limit for such years.

²The highly compensated employee determination is based on amounts earned in "look-back" year. Accordingly, whether an employee is highly compensated for the 2025 plan year is based on whether his/her 2024 compensation exceeded the compensation amount listed for 2024.

³Beginning January 1, 2013, the employee portion of the Medicare tax rate for employees earning over \$200,000 (single filers) or over \$250,000 (joint filers) is an additional 0.9% for amounts earned above such thresholds, for a total of 2.35%.Φ

⁴Beginning January 1, 2013, the Medicare tax rate for self-employed workers earning over \$200,000 (single filers) or over \$250,000 (joint filers) is an additional 0.9% for amounts earned above such thresholds, for a total of 3.8%.Φ

Φ In each case, an additional 3.8% Medicare tax rate is imposed on the lesser of (i) the "net investment income" for such year, or (ii) the modified AGI for such year in excess of \$200,000 (single filers) and \$250,000 (joint filers).

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