

# 2024/2025 dollar limitations for retirement plans



Wealth Management

Some new limitations will apply to retirement plans and other benefit plans in 2025 as a result of cost-of-living adjustments made by the IRS and the Social Security Administration. The limits for 2025, as well as the 2024 limits, are as follows:

Account Types		2024 Limit	2025 Limit
IRA	Traditional and Roth IRA contribution limit	\$7,000	\$7,000
	Catch-up limit for individuals age 50 and older	\$1,000	\$1,000
SEP IRA	Maximum SEP contribution	\$69,000	\$70,000
	SEP compensation exclusion	\$750	\$750
401(k), SARSEP, 403(b) and Governmental 457(b)	Elective deferral limit	\$23,000	\$23,500
	Catch-up limit for individuals age 50–59 and 64+	\$7,500	\$7,500
Profit Sharing, 401(k) and Money Purchase Pension	Catch-up limit for individuals ages 60–63*	N/A	\$11,250
	Defined contribution limit (415(c) limit)	\$69,000	\$70,000
Profit Sharing, 401(k), SEP and Money Purchase Pension	Employee annual compensation limit	\$345,000	\$350,000
401(k), SARSEP, 403(b) and Governmental 457(b)	Highly compensated employee limit (no requirement for 5% owner)	\$155,000	\$160,000
Profit Sharing, 401(k) and Money Purchase Pension	Top-heavy plan key employee compensation limit	\$220,000	\$230,000
Defined Benefit	Maximum annual benefit at retirement	\$275,000	\$280,000
SIMPLE IRA	Elective deferral limit	\$16,000	\$16,500
	Catch-up limit for individuals age 50–59 and 64+	\$3,500	\$3,500
	Catch-up limit for individuals ages 60–63^	N/A	\$5,250
	Maximum employer match (\$1 for \$1 match on the first 3% of employee compensation deferred)	\$16,000	\$16,500
	Catch-up deferral is also matched by employer if individual is age 50 or older	\$3,500	\$3,500
	Maximum employer nonelective contribution (2% of employee's compensation, up to \$345k in 2024 and \$350k in 2025)	\$6,900	\$7,000
	Additional (optional) Employer nonelective contribution of up to 10% of earnings capped at \$5,000. (Employer must uniformly provide enhanced NEC to all participants)	\$5,000	\$5,000

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\* If your plan is adopting the SECURE 2.0 special catch-up limit contribution for ages 60 to 63, these employees can contribute a catch-up amount that is the greater of \$11,250 or 150% of the regular catch-up limit.

^ If your plan is adopting the SECURE 2.0 special catch-up limit contribution for ages 60 to 63, these employees can contribute a catch-up amount that is the greater of \$5,250 or 150% of the regular catch-up limit.

<b>Modified Adjusted Gross Income (MAGI) phase-out ranges for traditional IRA deduction when taxpayer is covered by a retirement plan at work</b>		
<b>Filing status</b>	<b>2024 Limit</b>	<b>2025 Limit</b>
Single or head of household	\$77,000–\$87,000	\$79,000–\$89,000
Married filing jointly	\$123,000–\$143,000	\$126,000–\$146,000
Married filing jointly for non-covered spouse with a spouse who is an active participant	\$230,000–\$240,000	\$236,000–\$246,000
<b>MAGI phase-out ranges for Roth IRA annual contributions</b>		
<b>Filing status</b>	<b>2024</b>	<b>2025</b>
Single or head of household	\$146,000–\$161,000	\$150,000–\$165,000
Married filing jointly	\$230,000–\$240,000	\$236,000–\$246,000
<b>Social Security</b>		
	<b>2024</b>	<b>2025</b>
Social Security taxable wage base	\$168,600	\$176,100
Maximum earnings for individuals under normal retirement age before Social Security benefits are reduced. One dollar in benefits will be withheld for every \$2 in earnings above the limit	\$22,320 (\$1,860/mo)	\$23,400 (\$1,950/mo)
Maximum Social Security benefit at Social Security full retirement age	\$3,822	\$4,018
<b>529/Gift Tax Exclusion</b>		
<b>Filing status</b>	<b>2024</b>	<b>2025</b>
Single or head of household	\$18,000	\$19,000
Married filing jointly	\$36,000	\$38,000
<b>Health Savings Accounts (HSAs)</b>		
	<b>2024</b>	<b>2025</b>
Maximum contribution limit	Single	\$4,150
	Family	\$8,300
	Catch-Up (age 55 by the end of the year)	\$1,000
Minimum annual deductible for High Deductible Health Plan (HDHP)	Single	\$1,600
	Family	\$3,200
HDHP maximum out-of-pocket expenses	Single	\$8,050
	Family	\$16,100

\*Section 116 and 117 of SECURE 2.0 Act provide for additional (optional) Employer contribution methods and increased contribution limits dependent upon the number of employees in the prior year who earned at least \$5,000 in compensation, and whether or not enhanced match or non-elective contributions are provided.

^ If your plan is adopting the SECURE 2.0 special catch-up limit contribution for ages 60 to 63, these employees can contribute a catch-up amount that is the greater of \$5,250 or 150% of the regular catch-up limit.

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