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Client Alert

Updates: 2025 Contribution Limits

2025 SOCIAL SECURITY WAGE BASE

The Social Security wage base for computing Social Security tax will increase to **$176,100** from $168,600.

2025 RETIREMENT PLAN CONTRIBUTION LIMITS

2025 401(k) and 403(b) Employee Contribution Limit

- The total contribution limit for all 401(k) and 403(b) plans will increase to **$23,500** from $23,000 **for those under age 50.**
- The **catch-up contribution** limit for those **age 50+** will remain at **$7,500.**
- The super catch-up allows individuals **age 60 - 63** to contribute an **additional $11,250** to eligible retirement plans, such as 401(k), 403(b) and governmental 457 plans.
- Catch-up contributions are in addition to the standard $23,500 annual contribution limit for 2025.

2025 401(k)/403(b)/401(a) Total Contribution Limit

- The total of all employee and employer contributions per employee will increase to **$70,000** from $69,000 for those **under age 50**.
- For those **age 50+,** the limit will increase to **$77,500.**

2025 457(b) Employee Contribution Limit

- The contribution limit to a 457(b) plan will increase to **$23,500** from $23,000. 457(b)s have unique catch-up contribution rules, so you will need to consult with your plan administrator.
- Employees taking advantage of the special pre-retirement catch-up may be eligible to contribute up to double the standard limit, for a total of $47,000.

2025 Traditional and Roth IRA Contribution Limits

- The 2025 Traditional and ROTH IRA contribution limits remain at **$7,000** for those **under age 50**.
- The **catch-up contribution** limit for those age 50+ will remain at **$1,000**.

2025 SEP-IRA Contribution Limits

- The SEP-IRA contribution limits will increase to $70,000 from $69,000.

2025 SIMPLE IRA and SIMPLE 401(k) Contribution Limits

- The contribution limit for SIMPLE IRA and SIMPLE 401(k) plans will increase to **$16,500**
- from $16,000.
- The catch-up contribution limit for those age 50+ will remain at **$3,500**.

2025 HEALTH SAVINGS ACCOUNT (HSA) AND FLEXIBLE SAVINGS ACCOUNT (FSA) PLAN CONTRIBUTION LIMITS

2025 HSA Contribution Limits

- For **individual coverage**, the HSA contribution limit will increase to **$4,300** from $4,150.
- **Family coverage** will increase to **$8,550** from $8,300.
- The **catch-up** limit for those **age 55+** will remain at **$1,000**.

2025 FSA Contribution Limits

- The **Healthcare FSA** contribution limit will increase to **$3,300** from $3,200.
- The **Dependent Care FSA** limit will remain at $**5,000**.

MISCELLANEOUS ITEMS

2025 Adoption Assistance

- The maximum amount that can be excluded from an employee's gross income for qualified adoption expenses under an employer's adoption assistance program increased to **$17,280** from $16,810.

2025 Qualified Transportation Fringe Benefits

- The amount that may be excluded from gross income for employer-provided qualified transportation fringe benefits (transit and parking) increased to **$325** from $315.

If you have any questions, please contact your Payroll Representative.