

Enhanced Catch-Up: 2025 IRS Limits

Thanks to SECURE 2.0, beginning in 2025, individuals ages 60 to 63 will be eligible for an enhanced catch-up contribution.

Here's what you need to know!

To qualify for the enhanced catch-up contributions, participants must:

- Attain age 60, 61, 62, or 63 by the end of the 2025 calendar year
- Already met the maximum 402(g) deferral limit

Note: Once a participant turns 64, they revert to the standard 50+ catch-up contribution limit.

Ex. John Doe is 63 and turning 64 in 2025. His catch-up contribution is capped at \$7,500.

Catch-Up Contribution Limits

401(k), 403(b) & 457 Plans	Ages 50-59; 64+	Ages 60-63
Salary (Elective) Deferrals	\$23,500	\$23,500
Catch-Up Salary (Elective) Deferrals	\$7,500	\$11,250
Total Annual Contribution Limit	\$31,000	\$34,750
SIMPLE IRA	Ages 50-59; 64+	Ages 60-63
Salary (Elective) Deferrals	\$16,500	\$16,500
Catch-Up Salary (Elective) Deferrals	\$3,500	\$5,250
Total Annual Contribution Limit	\$20,000	\$21,750

Other Limits to Look for:

SECURE 2.0 also includes new provisions regarding Roth contributions for high earners. The IRS rules for this provision have been delayed until 2026.

However, when that provision kicks in, if a participant's wages exceed \$145,000 in the previous year (subject to cost-of-living adjustments), they have to make catch-up contributions on a Roth basis.

Making catch-up contributions on an after-tax Roth basis means paying taxes on your retirement savings now and allowing them to grow tax free in retirement.

For more details regarding these and other retirement-related cost-of-living adjustments for 2025 visit the [IRS website](#) or contact My Benefits (678)974-3241.