



QUALIFIED PLAN DEDUCTION LIMITS - 2025

MVP Plan Administrators, Inc. is pleased to announce the newly released Pension Plan Limitations for 2025.

Elective Deferrals 402(g) for 401(k), 403(b) and 457 Plans - This limit is combined for Roth or Pre-tax deferral elections. The limit on elective deferrals (again a combined Roth or pre-tax) for participants in 401(k), 403(b) and 457 plans (excluding SIMPLE plans) is increased from \$23,000 to **\$23,500**.

Catch-up contributions 414(v)(2)(B)(i) - A participant who is at least age 50 before the end of the calendar year may be eligible to make catch-up contributions. This amount is in addition to the Elective Deferrals and can be either a Roth or Pre-tax election. The catch-up limit remains unchanged at **\$7,500**.

SECURE 2.0 Increased Catch-up - Beginning in 2025, employees between the ages of 60 and 63 can take advantage of a higher catch-up limit of **\$11,250** instead of being limited to the \$7500 catch-up.

SIMPLE Plans Elective Deferrals - This limit is combined for Roth or Pre-tax deferral elections. The limit on elective deferrals (again a combined Roth or pre-tax) for participants is increased from \$16,000 to **\$16,500**.

SIMPLE Plans Catch-up contributions - This limit is combined for Roth or Pre-tax deferral elections. The limit on elective deferrals (again a combined Roth or pre-tax) remains unchanged at **\$3,500**.

SECURE 2.0 SIMPLE Increased Catch-up - Beginning in 2025, employees between the ages of 60 and 63 can take advantage of a higher SIMPLE catch-up limit of **\$5,250**.

Limitation for Defined Contribution Plans 415(c)(1)(A) - This limitation is a total aggregate contribution including elective deferral (Pretax or ROTH) contributions, employer contributions and forfeitures. This limit is increased from \$69,000 to **\$70,000**.

The Annual Compensation Limit under Sections 401(a)(17), 404(l) - This is the maximum amount of compensation that may be considered for plan purposes. This limit is increased from \$345,000 to **\$350,000**.

Social Security Taxable Wage Base - This is the dollar limitation that social security tax is paid. This wage amount is also used in the formula for permitted disparity (integrated) plans and is increased from \$160,200 to **\$176,100**.

The Limitation used to define a Highly Compensated Employee under Section 414(q)(1)(B) - This is the dollar limit for determining which participants will be considered Highly Compensated Employees. This limit is increased from \$155,000 to **\$160,000**.

The Limitation used to define Key Employee under Section 416(i)(1)(A)(i) - This is the dollar limit used for determining which participants will be considered a Key Employee for a top-heavy plan. This limit is increased from \$220,000 to **\$230,000**.



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QUICK REFERENCE CHART

	2024	2025
Elective Deferral limitation under 402(g)	\$23,000	\$23,500
Catch-up Contribution Limit	\$7,500	\$7,500
SECURE 2.0 Increased Catch-Up Limit <i>(new for 2025 and limited to participants aged 60 to 63 ONLY)</i>	N/A	\$11,250
SIMPLE Plans Elective Deferral Limit	\$16,000	\$16,500
SIMPLE Plans Catch-Up Limit	\$3,500	\$3,500
SECURE 2.0 SIMPLE Increased Catch-up Limit <i>(new for 2025 and limited to participants aged 60 to 63 ONLY)</i>	N/A	\$5,250
Dollar limit for defined contribution Plans under Section 415	\$69,000	\$70,000
Compensation Limit under Section 401(a)(17)	\$345,000	\$350,000
Social Security Taxable Wage Base	\$168,600	\$176,100
Compensation Limit used to determine Highly Compensated Employees	\$155,000	\$160,000
Compensation Limit used to determine Key Employees	\$220,000	\$230,000

Please feel free to contact us with any questions you may have. Thanks!