

2025 IRS Limits Announced

Insight — November 1, 2024

The IRS has announced the 2025 cost of living adjustments to qualified plan limits. Below are the highlights, and our full historical chart can be found [here](#) for easy reference.

| | 2025 | 2024 | 2023 |
|----------------------------|----------------------|----------------------|----------------------|
| Annual Compensation | 350,000 | 345,000 | 330,000 |
| Elective Deferrals | 23,500 | 23,000 | 22,500 |
| Catch-up Contributions | 7,500* | 7,500 | 7,500 |
| Defined Contribution Limit | 70,000 | 69,000 | 66,000 |
| ESOP Distribution Limits | 1,415,000 280,000 | 1,380,000 275,000 | 1,330,000 265,000 |
| Defined Benefit Limit | 280,000 | 275,000 | 265,000 |
| HCE Threshold | 160,000 | 155,000 | 150,000 |
| Key Employee | 230,000 | 220,000 | 215,000 |
| 457 Elective Deferrals | 23,500 | 23,000 | 22,500 |
| Taxable Wage Base | 176,100 | 168,600 | 160,200 |

*If plan adopts for 2025, the SECURE 2.0 increased catch-up limit for ages 60-63 is \$11,250

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