

2025 CHANGES TO RETIREMENT PLAN CATCH-UP CONTRIBUTIONS



The SECURE 2.0 Act of 2022 introduced a number of changes to the rules pertaining to retirement plan contributions and distributions. The implementation of several of these provisions was delayed, but starting in 2025 we will see changes to the retirement plan catch-up contribution rules for those ages 60 to 63.

Currently, participants in 401(k), 403(b) and governmental 457(b) plans ages 50 and older can elect to make catch-up contributions up to \$7,500 in addition to the standard contribution limit of \$23,000.

Next year, the standard contribution limit will increase to \$23,500, but participants in these plans ages 60 to 63 will be allowed to make catch-up contributions up to \$11,250. All other individuals ages 50 and older will still have the option to contribute up to \$7,500 as a catch-up contribution on top of the standard contribution of \$23,500.

For those contributing to a SIMPLE IRA, the standard contribution limit in 2025 will be \$16,500. SIMPLE IRA participants ages 60 to 63 can also make a catch-up contribution of up to \$5,250. For all others who are ages 50 and up, the catch-up contribution limit will remain \$3,500.

Another change scheduled for 2026 is that participants in qualified retirement plans earning more than \$145,000 a year will be required to make all catch-up contributions to Roth accounts rather than to traditional pre-tax accounts. Employers who don't currently offer Roth accounts in these plans will have to have them in place by then. This rule will apply to 401(k), 403(b) and governmental 457(b) plans, but not to IRAs or SIMPLE IRAs.

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2025 Tax Guide

Income Tax Brackets (Single)				Additional Changes			
Rate	2024 Income Tax Brackets	2025 Income Tax Brackets	Change	Standard Deduction	2024	2025	Change
10%	\$0 – \$11,600	\$0 – \$11,925	(+\$325)	Single	\$ 14,600	\$ 15,000	(+\$400)
12%	\$11,601 – \$47,150	\$11,926 – \$48,475	(+\$1,000)	Married Filing Jointly	\$ 29,200	\$ 30,000	(+\$800)
22%	\$47,151 – \$100,525	\$48,476 – \$103,350	(+\$1,500)	Single over 65	\$ 16,550	\$ 17,000	(+\$450)
24%	\$100,526 – \$191,950	\$103,351 – \$197,300	(+\$2,525)	Married Filing Jointly, both over 65	\$ 32,300	\$ 33,200	(+\$900)
32%	\$191,951 – \$243,725	\$197,301 – \$250,525	(+\$1,450)				
35%	\$243,726 – \$609,350	\$250,526 – \$626,350	(+\$10,200)				
37%	Over \$609,350	Over \$626,350	(+\$17,000)				
Income Tax Brackets (Married Filing Jointly)				Gift and Estate Taxes			
Rate	2024 Income Tax Brackets	2025 Income Tax Brackets	Change		2024	2025	Change
10%	\$0 – \$23,200	\$0 – \$23,850	(+\$650)	Annual Exclusion Gift	\$ 18,000	\$ 19,000	(+\$1,000)
12%	\$23,201 – \$94,300	\$23,851 – \$96,950	(+\$2,000)	Annual Gift Tax Exclusion to Non-U.S. Citizen Spouse	\$ 185,000	\$ 190,000	(+\$5,000)
22%	\$94,301 – \$201,050	\$96,951 – \$206,700	(+\$3,000)	Federal Estate Tax Exemption	\$ 13,610,000	\$ 13,990,000	(+\$380,000)
24%	\$201,051 – \$383,900	\$206,701 – \$394,600	(+\$5,050)				
32%	\$383,901 – \$487,450	\$394,601 – \$501,050	(+\$2,900)	Retirement Plan Contribution Limits			
35%	\$487,451 – \$731,200	\$501,051 – \$751,600	(+\$6,800)	401(k), 403(b) & 457(b) plan contributions	\$ 23,000	\$ 23,500	(+\$500)
37%	Over \$731,200	Over \$751,600	(+\$20,400)	Catch up provision for 50-59, & 64+	\$ 7,500	\$ 7,500	(+\$0)
				Catch up provision for 60-63	N/A	\$ 11,250	(+\$0)
				Defined Contribution Plan	\$ 69,000	\$ 70,000	(+\$1,000)
				SIMPLE Plans	\$ 16,000	\$ 16,500	(+\$500)
				Catch up provision for 50-59, & 64+	\$ 3,500	\$ 3,500	(+\$0)
				Catch up provision for 60-63	N/A	\$ 5,250	(+\$0)
				Traditional and Roth IRA	\$ 7,000	\$ 7,000	(+\$0)
				Catch up provision for 50+	\$ 1,000	\$ 1,000	(+\$0)
				Defined Benefit Plan Limit	\$ 275,000	\$ 280,000	(+\$5,000)
Income Tax Brackets (Estates & Trusts)							
Rate	2024 Income Tax Brackets	2025 Income Tax Brackets	Change				
10%	\$0 – \$3,100	\$0 – \$3,150	(+\$50)				
24%	\$3,101 – \$11,150	\$3,151 – \$11,450	(+\$250)				
35%	\$11,151 – \$15,200	\$11,451 – \$15,650	(+\$150)				
37%	Over \$15,200	Over \$15,650	(+\$450)				
Capital Gains Tax Brackets							
2024 Capital Gains Taxes				2025 Capital Gains Taxes			
	0%	15%	20%		0%	15%	20%
Single	\$0 – \$47,025	\$47,026 – \$518,900	Over \$518,900	Single	\$0 – \$48,350	\$48,351 – \$533,400	Over \$533,400
Married filing jointly	\$0 – \$94,050	\$94,051 – \$583,750	Over \$583,750	Married Filing Jointly	\$0 – \$96,700	\$96,701 – \$600,500	Over \$600,500
Trust	\$0 – \$3,150	\$3,151 – \$15,450	Over \$15,450	Trust	\$0 – \$3,250	\$3,251 – \$15,900	Over \$15,900

Source: Internal Revenue Service (IRS).



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Miscellaneous				2025 RMD Factors (Remains unchanged from 2024)			
Limits Changes	2024	2025	Change	Age of retiree	Divisor	Age of retiree	Divisor
Qualified Charitable Distribution Limit	\$ 105,000	\$ 108,000	(\$3,000)	72	27.4	97	7.8
Flexible Spending Account Limit	\$ 3,200	\$ 3,300	(\$100)	73	26.5	98	7.3
Student Loan Interest Deduction Phase Out (Single)	\$ 95,000	\$ 100,000	(\$5,000)	74	25.5	99	6.8
Student Loan Interest Deduction Phase Out (Married)	\$ 190,000	\$ 200,000	(\$10,000)	75	24.6	100	6.4
Health Savings Account Limit (Single)	\$ 4,150	\$ 4,300	(\$150)	76	23.7	101	6
Health Savings Account Limit (Family)	\$ 8,300	\$ 8,550	(\$250)	77	22.9	102	5.6
Catch up provision for 55-65	\$ 1,000	\$ 1,000	(\$0)	78	22	103	5.2
				79	21.1	104	4.9
				80	20.2	105	4.6
				81	19.4	106	4.3
				82	18.5	107	4.1
				83	17.7	108	3.9
				84	16.8	109	3.7
				85	16	110	3.5
				86	15.2	111	3.4
				87	14.4	112	3.3
				88	13.7	113	3.1
				89	12.9	114	3
				90	12.2	115	2.9
				91	11.5	116	2.8
				92	10.8	117	2.7
				93	10.1	118	2.5
				94	9.5	119	2.3
				95	8.9	120 +	2
				96	8.4		