



2025 Defined Contribution Plan Limits

In IRS Notice 2024-80, the IRS highlighted the following adjustments taking effect on **January 1, 2025**, for 401(k), 403(b) and most 457 plans:

Defined Contribution Plan Limits	2025	2024	2023	Change
Maximum employee elective deferral (401(k), 403b, most 457)	\$23,500	\$23,000	\$22,500	+ \$500
Employee catch-up contribution (if age 50 or older by year-end)	\$7,500	\$7,500	\$7,500	No change
Employee catch-up contribution (if ages 60, 61, 62, and 63 by year-end) (replaces age 50 catch up limit)	\$11,250			
Defined contribution maximum limit, all sources	\$70,000	\$69,000	\$66,000	+\$1,000
Defined contribution maximum limit; maximum contribution all sources plus catch-up	\$77,500 or \$81,250	\$76,500	\$73,500	+\$1,000
Employee compensation limit for calculating contributions	\$350,000	\$345,000	\$330,000	+\$5,000
Compensation threshold of "key employees" in a top-heavy plan	\$230,000 To determine 2026 Key status	\$220,000 To determine 2025 Key status	\$215,000 To determine 2024 Key status	+\$10,000
Compensation threshold of "highly compensated employees" (HCE threshold)	\$160,000 To determine 2026 HCE status	\$155,000 To determine 2025 HCE status	\$150,000 To determine 2024 HCE status	+\$5,000

"Key employees" and "highly compensated employees" are terms used in the annual compliance testing of a retirement plan.

Source: IRS Notice 2024-80