

DECEMBER 2025

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CHANGES TO 401(k) PLANS

The Internal Revenue Service (IRS) announced the amount individuals can contribute to their 401(k) plans in 2026 has increased to \$24,500, up from \$23,500 for 2025.

The IRS also issued technical guidance regarding all cost-of-living adjustments affecting dollar limitations for pension plans and other retirement-related items for tax year 2026 in **Notice 2025-67** posted today on IRS.gov.

Highlights of changes for 2026

The annual contribution limit for employees who participate in 401(k), 403(b), governmental 457 plans, and the federal government's Thrift Savings Plan is increased to \$24,500, up from \$23,500 for 2025.

The limit on annual contributions to an IRA has increased to \$7,500 from \$7,000. The IRA catch-up contribution limit for individuals aged 50 and over was amended under the SECURE 2.0 Act of 2022 (SECURE 2.0) to include an annual cost-of-living adjustment is increased to \$1,100, up from \$1,000 for 2025.

The catch-up contribution limit that generally applies for employees aged 50 and over who participate in most 401(k), 403(b), governmental 457 plans, and the federal government's Thrift Savings Plan is increased to \$8,000, up from \$7,500 for 2025. Therefore, participants in most 401(k), 403(b), governmental 457 plans and the federal government's Thrift Savings Plan who are 50 and older generally can contribute up to \$32,500 each year, starting in 2026. Under a change made in SECURE 2.0, a higher catch-up contribution limit applies for employees aged 60, 61, 62 and 63 who participate in these plans. For 2026, this higher contribution limit remains \$11,250 instead of the \$8,000 noted above.

The income ranges for determining eligibility to make deductible contributions to traditional Individual Retirement Arrangements (IRAs), to contribute to Roth IRAs and to claim the Saver's Credit all increased for 2026.

Please let us know if you would like a Tax Organizer to prepare for the 2025 Tax Season. Send an email request to corinnejtompson@sedillollc.com.

Our office will be closed Wednesday thru Friday, December 24 - 26 for Christmas; Thursday & Friday, January 1 & 2, 2026 for the New Year Holiday.

Taxpayers can deduct contributions to a traditional IRA if they meet certain conditions. If during the year either the taxpayer or the taxpayer's spouse was covered by a retirement plan at work, the deduction may be reduced, or phased out, until it is eliminated, depending on filing status and income. (If neither the taxpayer nor the spouse is covered by a retirement plan at work, the phase-outs of the deduction do not apply.) Here are the phase-out ranges for 2026:

- For single taxpayers covered by a workplace retirement plan, the phase-out range is increased to between \$81,000 and \$91,000, up from between \$79,000 and \$89,000 for 2025.
- For married couples filing jointly, if the spouse making the IRA contribution is covered by a workplace retirement plan, the phase-out range is increased to between \$129,000 and \$149,000, up from between \$126,000 and \$146,000 for 2025.
- For an IRA contributor who is not covered by a workplace retirement plan and is married to someone who is covered, the phase-out range is increased to between \$242,000 and \$252,000, up from between \$236,000 and \$246,000 for 2025.
- For a married individual filing a separate return who is covered by a workplace retirement plan, the phase-out range is not subject to an annual cost-of-living adjustment and remains between \$0 and \$10,000.

Notice 2025-67 provides limitations for 2026 for Roth IRAs, the Saver's Credit and SIMPLE retirement accounts. Details on these and other retirement-related cost-of-living adjustments for 2026 are in **Notice 2025-67**, available on [IRS.gov](https://www.irs.gov).





Oreo Peppermint Bark

INGREDIENTS:

25 oz. white chocolate chips

1 tsp. coconut oil

green food coloring

20 Oreos, crushed and divided

1 tsp. peppermint extract

1/2 cup semisweet chocolate chips, melted

DIRECTIONS:

Step 1 - Line a large baking sheet with parchment paper. In a large bowl, combine white chocolate, coconut oil and green food coloring.

Microwave on high for 25 seconds at a time, stirring after each time until chocolate chips are completely melted.

Step 2 - Add 3/4 of crushed Oreos and peppermint extract to melted chocolate. Fold to combine. Pour onto prepared baking sheet and spread in an even layer. Top with remaining crushed Oreos and drizzle with melted chocolate.

Step 3 - Place in the refrigerator to harden for 2 to 3 hours. Break into pieces and serve.

YIELDS: 8 - 10 PIECES PREP TIME: 10 MINS TOTAL TIME: 3 HRS 10 MINS

<https://www.delish.com/cooking/recipe-ideas/a57858/mint-oreo-bark-recipe/>

DECEMBER 2025

DEC 1

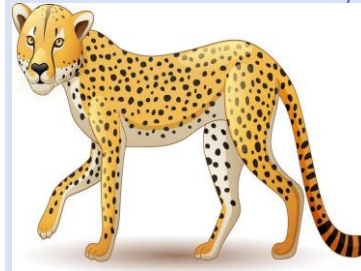
Nat'l Peppermint Bark Day

DEC 3

Candle Day

DEC 4

International Cheetah Day



DEC 7

National Cotton Candy Day

DEC 13

National Ice Cream Day



DEC 16

National Underdog Day

DEC 17

Nat'l Maple Syrup Day

DEC 19

Nat'l Oatmeal Muffin Day

DEC 22

Nat'l Cookie Exchange Day

DEC 23

National Roots Day

DEC 28

Nat'l Call A Friend Day

DEC 29

Pepper Pot Soup Day

FORMS OF
PAYMENT NOW
ACCEPTED:

- VISA
- MASTERCARD
- AMERICAN EXPRESS
- DISCOVER CARD
- ZELLE
- CASH
- PERSONAL CHECK

NEW YEAR'S WORD SCRAMBLE

- | | |
|-----------------------|------------------------|
| 1. soonlbal_____ | 16. timsicitop_____ |
| 2. danreac _____ | 17. dohilay _____ |
| 3. mesti qareus _____ | 18. yalethh _____ |
| 4. trbainoeelc_____ | 19. noitalspriina_____ |
| 5. tinoeflre _____ | 20. naruyaj_____ |
| 6. seerhc _____ | 21. ewn _____ |
| 7. eimt _____ | 22. diitontar _____ |
| 8. iettnfco _____ | 23. siks _____ |
| 9. laogs _____ | 24. tinghdim _____ |
| 10. wodnuontc_____ | 25. ciusm _____ |
| 11. nulana _____ | |
| 12. kolcc _____ | |
| 13. wen arey _____ | |
| 14. korsewirf_____ | |
| 15. taots_____ | |



Tax Times December 2025

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