



401(K) CONTRIBUTION limits in 2025



First, what are contribution limits? Contribution limits are set by the IRS and refer to the amounts that can be contributed to a 401(k) each year. The maximum deferral limit refers to the annual amount that an employee can contribute to a 401(k) plan. The maximum contribution amount, on the other hand, refers to the total amount of funds both the employee and employer can contribute during the year. Total contributions cannot exceed 100% of an employee's annual compensation.

In the past, the 401(k) contribution limits have gone up incrementally, typically about \$500 each year. For example, in 2017, the contribution limit was \$18,000 and the maximum catch-up contribution was \$6,000. The contribution limits for employees have generally gone up \$500 per year since then.

Let's look at the 401(k) contribution limits in 2025 compared to 2024:

401(k) plan limits	2024	2025	Difference
Maximum deferral limit for employee salaries	\$23,000	\$23,500	\$500
Catch-up contributions for employees ages 50 and over	\$7,500	\$7,500	\$0
Maximum Contribution limit	\$69,000	\$70,000	\$1,000
Maximum Contribution limit, including catch-up contributions	\$76,500	\$77,500	\$1,000

These amounts also apply to 403(b), most 457 and Thrift Savings Plans. The IRS typically announces official limits for the coming year in late October or early November. You can check the IRS 401(k) contribution limits on the IRS website for all updates.



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