



Experience
The Difference
Celebrating Over 50 Years
of Pure Wealth Management

2025 Cost of Living Adjustments

Employer-Sponsored Retirement Plans

401(k), 403(b), 457, TSP, or similar accounts	2025	2024
Employee Elective Deferrals Maximum amount a participant can contribute to this type of account	\$23,500	\$23,000
Employee Elective Catch-Up Contributions Additional amount a participant age 50 and above can contribute to this type of account	\$7,500	\$7,500
Annual Defined Contributions Maximum amount a participant and employer can contribute to this type of account	\$70,000	\$69,000

SIMPLE accounts	2025	2024
SIMPLE Deferrals Maximum amount a participant can contribute to a SIMPLE account	\$16,500	\$16,000
SIMPLE Catch-up Contributions Additional amount a participant age 50 and above can contribute to a SIMPLE account	\$3,500	\$3,500

Nondiscrimination Testing Limits	2025	2024
Annual Compensation Maximum amount of income used for employer safe harbor or matching contribution calculations	\$350,000	\$345,000
Key Employee Compensation Income threshold that defines "key employees" as required for nondiscrimination testing for qualified retirement plans	\$230,000	\$220,000
HCE Compensation Income threshold that defines highly-compensated employees as required for nondiscrimination testing for qualified retirement plans	\$160,000	\$155,000

Individual Retirement Plans

Traditional & Roth IRAs	2025	2024
Traditional/Roth IRA Contributions Maximum amount someone can contribute to a Traditional IRA or Roth IRA account	\$7,000	\$7,000
Traditional/Roth IRA Catch-Up Contributions Additional amount someone age 50 and above can contribute to a Traditional IRA or Roth IRA account	\$1,000	\$1,000



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Non-Retirement Savings Accounts

	2025	2024
FSA Contributions Maximum amount an individual can add to a tax-free Flexible Spending Account to be used within the year for qualified health care expenses	\$3,300	\$3,200
HSA Contributions - Individual Maximum amount an individual covered by a High Deductible Health Plan (HDHP) can add to a tax-free Health Savings Account to be used for qualified health care expenses any time in the future	\$4,300	\$4,150
HSA Contributions - Family Maximum amount a family covered by a High Deductible Health Plan (HDHP) can add to a tax-free Health Savings Account to be used for qualified health care expenses any time in the future	\$8,550	\$8,300
HSA Catch-Up Contributions Additional amount someone age 55 and above can contribute to a Health Savings Account	\$1,000	\$1,000
Dependent Care Account Contributions - Single or Married Filing Jointly/Married Filing Separately Maximum amount an individual or married couple can add to a tax-free Dependent Care Account	\$5,000/\$2,500	\$5,000/\$2,500

High Deductible Health Plan Definition

	2025	2024
HDHP Minimum Annual Deductible - Individual/Family Minimum deductible required to be considered a High Deductible Health Plan	\$1,650/\$3,300	\$1,600/\$3,200
HDHP Out of Pocket Maximum - Individual/Family Maximum out of pocket amount to be considered a High Deductible Health Plan	\$8,300/\$16,600	\$8,050/\$16,100

Payroll Taxes

	2025	2024
Social Security Wage Base Maximum amount of earned income employees must pay Social Security taxes on	\$176,100	\$168,600
Social Security Tax Rate - Employee/Employer Rate at which an employee & employer each pays Social Security tax on income up to the Social Security wage base	6.2%/6.2%	6.2%/6.2%
Medicare Tax Rate - Employee/Employer Rate at which an employee & employer each pays Medicare tax on wage income	1.45%/1.45%	1.45%/1.45%
FUTA Tax Rate/Taxable Wage Base Rate at which an employer pays Federal Unemployment Tax on income up to the Taxable Wage Base	6.0%/\$7,000	6.0%/\$7,000