

IRS Sets 2025 IRA and 401(k) Limits

mfs.com

The Internal Revenue Service has announced the following retirement plan contribution limits for the 2025 tax year.

IRA CONTRIBUTIONS

- Roth: \$7,000
- Traditional: \$7,000
- Catch-up: \$1,000

401(k) CONTRIBUTIONS

- Increased to \$23,500
- Catch-up age 50+: \$7,500
- Higher catch-up ages 60-63: \$11,250

TRADITIONAL IRA DEDUCTIBILITY PHASEOUT

	Modified Adjusted Gross Income range
Single filers covered by employer plan (increased)	\$79,000 to \$89,000
Married couples filing jointly, contributor covered by employer plan (increased)	\$126,000 to \$146,000
Joint filers with spouse covered by employer plan (increased)	\$236,000 to \$246,000

ROTH IRA ELIGIBILITY PHASEOUT

	Modified Adjusted Gross Income range
Single filers (increased)	\$150,000 to \$165,000
Married couples filing jointly (increased)	\$236,000 to \$246,000

SEP IRA CONTRIBUTIONS

- Company may contribute up to 25% of compensation or \$70,000 whichever is less (increased)

SIMPLE IRA CONTRIBUTIONS

- Salary deferral: increased to \$16,500
- Catch up age 50+: \$3,500
- Higher catch-up ages 60-63: \$5,250

Source: irs.gov

Contact your financial advisor or investment professional if you have questions on these limits or are considering making any changes to an existing IRA or 401(k).

The investments you choose should correspond to your financial needs, goals, and risk tolerance. For assistance in determining your financial situation, consult an investment professional.

MFS does not provide legal, tax, or accounting advice. Any statement contained in this communication (including any attachments) concerning U.S. tax matters was not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code. This communication was written to support the promotion or marketing of the transaction(s) or matter(s) addressed. Clients of MFS should obtain their own independent tax and legal advice based on their particular circumstances.

