

# Cost-of-Living Adjustments (COLA)

## Retirement Plan Limits

	TAX YEAR				
	2025	2024	2023	2022	2021
401(k)/403(b) Elective Salary Deferral Limit	<b>\$23,500</b>	\$23,000	\$22,500	\$20,500	\$19,500
457(b) Annual Deferral Limit	<b>\$23,500</b>	\$23,000	\$22,500	\$20,500	\$19,500
SIMPLE Retirement Account Limit	<b>\$16,500</b>	\$16,000	\$15,500	\$14,000	\$13,500
"Age 50" Catch-Up Limit <sup>1,2</sup>	\$7,500	\$7,500	\$7,500	\$6,500	\$6,500
Age 60, 61, 62 & 63" Catch-Up Limit <sup>1,2</sup>	<b>\$11,250</b>	N/A	N/A	N/A	N/A
403(b) Lifetime Catch-Up Limit <sup>3,4</sup>	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
457(b) Special Catch-Up Limit	<p>If permitted by the plan, a participant for three years before the normal retirement age (as specified in the plan) can contribute the lesser of the following:</p> <ul style="list-style-type: none"> <li>twice the annual deferral limit (<b>\$47,000 in 2025</b>), or</li> <li>the basic annual limit plus the amount of the basic limit not used in prior years (allowed only if not using "age 50 or over" catch-up contributions).</li> </ul>				
SIMPLE Plan "Age 50" Catch-Up Limit	\$3,500	\$3,500	\$3,500	\$3,000	\$3,000
Annual Addition Limit—defined contribution plans	<b>\$70,000</b>	\$69,000	\$66,000	\$61,000	\$58,000
Annual Benefit Limit—defined benefit plans	<b>\$280,000</b>	\$275,000	\$265,000	\$245,000	\$230,000
Maximum MAGI—Rollover to Roth IRA <sup>5</sup>	N/A	N/A	N/A	N/A	N/A
Compensation Limit <sup>6</sup>	<b>\$350,000</b>	\$345,000	\$330,000	\$305,000	\$290,000
Social Security Wage Base	<b>\$176,100</b>	\$168,600	\$160,200	\$147,000	\$142,800
Highly Compensated Employee Comp	<b>\$160,000</b>	\$155,000	\$150,000	\$135,000	\$130,000
Key Employee Compensation	<b>\$230,000</b>	\$220,000	\$215,000	\$200,000	\$185,000
IRA Limit	\$7,000	\$7,000	\$6,500	\$6,000	\$6,000
IRA "Age 50" Catch-Up Limit <sup>4</sup>	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

(Amounts in **bold and green** in 2025 increased from 2024.)

## Health Savings Account (HSA) Limits

	TAX YEAR				
	2025	2024	2023	2022	2021
Annual contribution limit—Individual	<b>\$4,300</b>	\$4,150	\$3,850	\$3,650	\$3,600
Annual contribution limit—Family	<b>\$8,550</b>	\$8,300	\$7,750	\$7,300	\$7,200
Annual catch-up contribution limit (age 55 or older)	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Minimum deductible for High Deductible Health Plan (HDHP)—Individual	<b>\$1,650</b>	\$1,600	\$1,500	\$1,400	\$1,400
Minimum deductible for HDHP—Family	<b>\$3,300</b>	\$3,200	\$3,000	\$2,800	\$2,800
Maximum out-of-pocket for HDHP—Individual	<b>\$8,300</b>	\$8,050	\$7,500	\$7,050	\$7,000
Maximum out-of-pocket for HDHP—Family	<b>\$16,600</b>	\$16,100	\$15,000	\$14,100	\$14,000

## Health and Benefit Accounts Limits

	TAX YEAR				
	2025	2024	2023	2022	2021
Adoption credit	<b>\$17,280</b>	\$16,810	\$15,950	\$14,890	\$14,440
Adoption assistance program—Child	<b>\$17,280</b>	\$16,810	\$15,950	\$14,890	\$14,440
Adoption assistance program—Special Needs Child	<b>\$17,280</b>	\$16,810	\$15,950	\$14,890	\$14,440
Commuter—bicycle (monthly)	\$20	\$20	\$20	\$20	\$20
Commuter—highway vehicle (monthly)	<b>\$325</b>	\$315	\$300	\$280	\$270
Commuter—parking (monthly)	<b>\$325</b>	\$315	\$300	\$280	\$270
Commuter—transit pass (monthly)	<b>\$325</b>	\$315	\$300	\$280	\$270
Employer-provided educational assistance	\$5,250	\$5,250	\$5,250	\$5,250	\$5,250
Health flexible spending account	<b>\$3,300</b>	\$3,200	\$3,050	\$2,850	\$2,750
Health flexible spending account—carryover	<b>\$660</b>	\$640	\$610	\$570	\$550
Dependent-care flexible spending account <sup>7</sup>	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000 <sup>8</sup>

(Amounts in **bold and green** in 2025 increased from 2024.)

The 401(k), 403(b), and 457(b) deferral limits also apply to Roth 401(k), Roth 403(b), and governmental 457(b) Roth contributions. The 457(b) annual deferral limit applies to both employee and employer contributions.

1. Applies to 401(k), 403(b), and governmental 457(b) plans. Does not apply to nongovernmental 457(b) plans, because “age 50” catch-up contributions are not allowed in those plans.
2. Effective for taxable years beginning after December 31, 2024, the SECURE Act Section 109 increases the catch-up contribution limit for employees who attain ages 60, 61, 62, and 63 by the end of the applicable tax year to the greater of (1) \$10,000 (indexed) or (2) 150% of the regular catch-up contribution limit. The higher catch-up increases the amount of the annual catch-up that can be contributed and is not in addition to the normal age 50 catch-up limit.

For employees who earn more than **\$145,000** in the prior calendar year, all catch-up contributions to a workplace plan at age 50 or older will need to be made to a Roth account in after-tax dollars. Individuals earning \$145,000 or less, adjusted for inflation going forward, will be exempt from the Roth requirement. The SECURE Act Section 603 is delayed until January 1, 2026.

3. Available only to employees with 15 or more years of service with a qualified organization, this provision may allow you to increase your salary deferral contributions above your basic salary deferral limit by up to \$3,000 per year, up to a lifetime catch-up limit of \$15,000. Consult IRS Publication 571 for further information under the “15-Year Rule” section. When available, the lifetime catch-up contribution may be used in addition to the “age 50” catch-up contribution; however, the lifetime catch-up contribution must be used before the “age 50” catch-up contribution may be used.
4. The \$3,000 403(b) lifetime catch-up contribution and the \$1,000 IRA “age 50” catch-up contribution are not subject to cost-of-living adjustments.
5. Starting in 2010, the \$100,000 MAGI limit had been eliminated for rollovers and conversions to Roth IRAs.
6. The annual compensation limitation under Section 401(a)(17) for eligible participants in certain governmental plans that, under the plan as in effect on July 1, 1993, allowed cost-of-living adjustments to the compensation limitation under the plan under Section 401(a)(17) to be taken into account increased from **\$505,000 to \$520,000**.
7. The dependent care flexible spending account maximum is set by statute and is not subject to inflation-related adjustments every year.
8. The American Rescue Plan Act of 2021 allowed for a discretionary increase of the dependent care flexible spending account maximum amount to \$10,500 for the 2021 tax year only; it was an optional provision and not mandatory.

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