



Planning for the future

DOLLAR LIMITS FOR QUALIFIED RETIREMENT PLANS	2025	2024
401(k) pretax and Roth contribution limit ¹	\$23,500	\$23,000
Catch-up contribution (ages 50–59)	\$7,500	\$7,500
Catch-up contribution (ages 60–63)	\$11,250	\$7,500
Catch-up contribution (ages 64+)	\$7,500	\$7,500
Annual compensation limit ²	\$350,000	\$345,000
Highly compensated employee threshold	\$160,000	\$155,000
Social Security wage base	\$176,100	\$168,600
Annual contribution limit	Lesser of \$70,000 or 100% of pay	Lesser of \$69,000 or 100% of pay
408(p)(2)(E) limit for deferrals made to a SIMPLE IRA or SIMPLE 401(k) ³	\$16,500	\$16,000
Catch-up contribution limit (ages 50–59) for a SIMPLE IRA or SIMPLE 401(k) ³	\$3,500	\$3,500
Catch-up contribution limit (ages 60–63) for SIMPLE IRA or SIMPLE 401(k) ³	\$5,250	\$3,500
Catch-up contribution limit (ages 64+) for a SIMPLE IRA or SIMPLE 401(k) ³	\$3,500	\$3,500

HIGHLY COMPENSATED EMPLOYEE

An individual who:

- At any time during 2024 or 2025, owned more than 5% interest in your business, regardless of how much compensation that person received.
- In 2025, received compensation of more than \$160,000. Optionally, the plan document may select the top paid group election which limits HCEs to those being in the top 20% of employees when ranked by compensation.

KEY EMPLOYEE

A current, former, or deceased employee who at any time during the plan year:

- Was an officer making more than \$230,000.
- Owned more than 5% of your business.
- Owned more than 1% of your business and made more than \$150,000 during the plan year.

**For more information, please visit [irs.gov](https://www.irs.gov).
Questions? We're here to help. Call 800-473-6879.
New York residents, call 800-962-2922.**

¹ Actual deferral amount for highly compensated employees may be reduced depending on results of Actual Deferral Percentage (ADP) test.

² Per section 401(a)(17), employer contributions—such as profit sharing and match—may not be made on compensation in excess of this limit. This is the maximum compensation considered for discrimination testing (e.g., ADP/ACP).

³ Sentry does not offer SIMPLE plans. SIMPLE limits provided for comparison reasons only.

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