

November 4, 2024

2025 Retirement Plan Limits Announced

On November 1, 2024, the Internal Revenue Service announced the 2025 cost of living increases to the various limits related to retirement plans. Here are a few of the key changes.

| | 2024 | 2025 |
|----------------------------|-------------|------------------|
| Compensation | \$345,000 | \$350,000 |
| DC Annual Addition | \$69,000 | \$70,000 |
| 401(k) Contribution | \$23,000 | \$23,500 |
| 401(k) Catch-up | \$7,500 | \$7,500 |
| DB Annual Benefit | \$275,000 | \$280,000 |

The complete table of limits can be found on our website www.nhhicks.com or by [clicking here](#).

Increased Catch-up Contribution Limits for Ages 60 through 63

Starting in 2025, the maximum 401(k) catch-up contribution for participants who attain ages 60, 61, 62 or 63 (but not age 64) during the calendar year is \$11,250. While this change is to help those closest to retirement, it adds a new layer of administrative complexity.

New Plans for 2024 or 2025

It is not too late to set-up a retirement plan for 2024 or 2025. We are ready to provide you with

- [Proposals](#) to illustrate potential plan designs,
- Plan reviews and check-ups,
- Takeover of existing plans, and
- Free consultations on retirement plan issues including correcting mistakes.

Need a Change

Are you satisfied with the services your current TPA is providing you? Were contributions calculated correctly and timely? Are their fees reasonable? How's the communication? At NH Hicks, we pride ourselves in providing exemplary service from our staff of administrators with over 280 years of combined experience. We are the first line of defense against the Department of Labor and the IRS. By reviewing plans, running proposals with plan design alternatives, and working with the Financial Advisors and Accountants, we create plans that best fit the employer.

Don't Ignore Solo 401(k) Plans

They are easy to establish, but still require services. A 5500 form must be filed once their assets reach \$250,000 and the plan document must be amended to meet IRS deadlines just like larger defined contribution plans. We provide both administrative and document services. Our documents feature pretax, Roth and voluntary after-tax participant contributions in addition to in-plan Roth conversion and participant loans.