

# Contribution Limits

## IRS Plan Maximums - 2025

### 401(k) -

Pre-Tax & Roth - \$23,500. Plan participants are eligible to contribute up to the IRS maximum. This total includes both Roth and Pre-Tax amounts. Once you reach a total of \$23,500 in contributions you may not contribute additional funds for the plan year in which the maximum is met.

- **Pre-Tax Contributions** - When you opt to defer contributions from payroll as a pre-tax contribution, the total amount contributed will reduce the gross income reported to IRS. For example: If your salary is \$40,000 and you contribute \$5,000 pre-tax to the retirement plan. The income reflected on the W-2 for tax reporting would be \$35,000.
- **Roth Contributions** - A Roth deferral is an after-tax contribution, which means you pay current income tax on the deferral. Since taxes are paid on the deferral, the amount is included in the gross income on the W-2. You won't pay tax on it again when a distribution of your Roth deferral is processed. In addition, if you take a qualified distribution, you do not pay tax on the earnings either. This means that the distribution of the Roth earnings can be tax-free, not just tax-deferred.
- **If you require guidance on which type of deferral is right for you, contact your Financial Planner or Tax Advisor.**

Catch-Up - \$7,500. Participants over the age of 50 are permitted to contribute an additional amount to increase their total contributions for the plan year. *Under SECURE 2.0, a higher catch-up contribution limit may apply for employees aged 60, 61, 62 and 63 as of December 31, 2025. For 2025, this higher catch-up contribution limit is \$11,250 instead of \$7,500.*

Need help determining how much to contribute per pay period to save the maximum allowed based on your age and the IRS maximum? Check out FINRA's "**save the max**" calculator as a resource.\*

\*This calculator is intended for general informational purposes only and should not be considered legal, tax, investment, or financial advice. The results are circumstances can significantly impact results. Always consult a qualified professional before making financial decisions.