

2025 Cost of Living Adjustments



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Related Practice
Employee Benefits
and Executive
Compensation

The Internal Revenue Service has announced the 2025 cost of living adjustments to various limits. The adjusted amounts generally apply for plan years beginning in 2025. Some of the adjusted amounts, however, apply to calendar year 2025.

EMPLOYEE BENEFIT PLANS

Plan Year	2025	2024
401(k), 403(b), 457 deferral limit	\$23,500	\$23,000
Catch-up contribution limit (age 50 or older by end of year)	\$7,500	\$7,500
Catch-up contribution limit (age 60, 61, 62, or 63 by end of year)	\$11,250	N/A
Annual compensation limit	\$350,000	\$345,000
Annual benefits payable under defined benefit plans	\$280,000	\$275,000
Annual allocations to accounts in defined contribution plans	\$70,000 (but not more than 100% of compensation)	\$69,000 (but not more than 100% of compensation)
Highly compensated employee	Compensation more than \$155,000 in 2024 plan year	Compensation more than \$150,000 in 2023 plan year

HEALTH SAVINGS ACCOUNTS

Calendar Year	2025	2024
Maximum contribution		
Family	\$8,550	\$8,300
Self	\$4,300	\$4,150
Catch-up contribution limit (age 55 or older by end of plan year)	\$1,000	\$1,000
Minimum deductible		
Family	\$3,300	\$3,200
Self	\$1,650	\$1,600
Maximum out-of-pocket		
Family	\$16,600	\$16,100
Self	\$8,300	\$8,050

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SOCIAL SECURITY

Calendar Year	2025	2024
Taxable wage base	\$176,100	\$168,600
Maximum earnings without loss of benefits		
Under full retirement age	\$1,950/mo. (\$23,400/yr.)	\$1,860/mo. (\$22,320/yr.)
Year you reach full retirement age	\$5,180/mo. up to mo. of full retirement age (\$62,160/yr.)	\$4,960/mo. up to mo. of full retirement age (\$59,520/yr.)

SOCIAL SECURITY RETIREMENT AGE

Year of Birth	Retirement Age
Prior to 1938	Age 65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943–1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67