



As part of the SECURE 2.0 Act of 2022, certain participants have higher limits on Catch-Up Contributions based on their age starting January 1, 2025.

▶ CURRENT RULES FOR CATCH-UP CONTRIBUTIONS

- Catch-Up Contributions are employee salary deferrals that apply to 401(k), 403(b), and 457(b) plans.
- Catch-Up Contributions must be a permitted feature in the Plan Document.
- Participants ages 50 or older may elect to make these additional Catch-up Contributions.
- The dollar limit on Catch-Up Contributions is set by the IRS each year.

▶ NEW LIMIT FOR INDIVIDUALS BETWEEN AGE 60 – 63

- Starting January 1, 2025, higher Catch-Up limits apply to individuals ages 60 – 63.
- For 2025, the limit is \$11,250.
- Participants ages 60 – 63 must make an election to contribute to the higher limits in those years.
- The year an individual turns 63 is the last year they can make the higher Catch-Up Contributions.
- The Plan must be amended by December 31, 2026, to include the new Catch-Up limits, but Plan Sponsors can implement this feature before the amendment starting January 1, 2025.

▶ THINGS TO CONSIDER:

- Employers will need to develop internal procedures to track participants between the ages of 60 and 63 who want to make higher Catch-Up Contributions.
- Employers will need to work with their payroll staff or payroll provider to update their systems so that participants can take advantage of the higher limits during the 4-year period.
- Plan Sponsors must notify employees about the new rules and explain the internal procedures for employees to elect the higher contribution amounts.

▶ CONTRIBUTION LIMITS:

Contributions by Age	2025 PlanYear Limits
Regular Limit (Under Age 50)	\$23,000
Age 50 to Age 59 Catch-Up Limit	\$7,500
Age 60 to Age 63 Catch-Up Limit	\$11,250
Age 64 + Catch-Up Limit	\$7,500

The limits above apply for 2025 and may change in future years depending on the IRS Cost-of-Living Adjustments (COLA) figures.

For questions or additional information, please contact your CRI TPA Services representative.