

Higher 401(k) Catch-up Contribution Limits - 2025

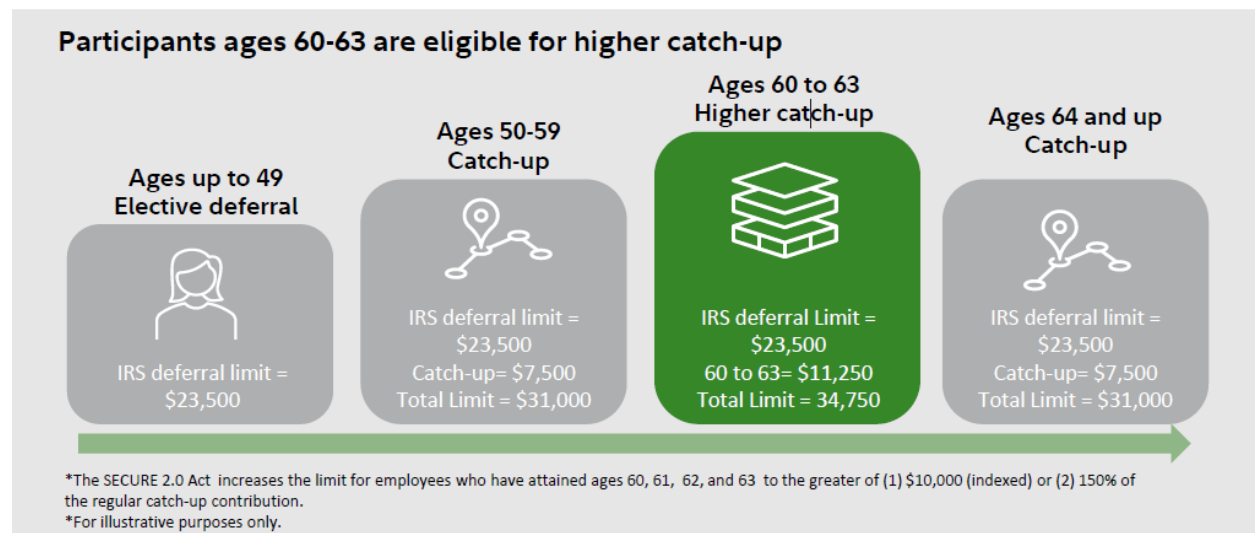
On December 29, 2022 The Setting Every Community Up for Retirement Enhancement Act of 2022 (Secure Act 2.0) was signed into law. This legislation introduces significant changes designed to strengthen the retirement system and improve American's financial readiness for retirement. One key change aims to enhance retirement readiness through - with higher catch-up contribution.

What is a higher catch-up contribution?

Starting January 1, 2025 individuals turning age 60 to 63 will be able to make catch-up contributions totaling the higher of \$10,000 or 150% of that year's regular catch-up amount annual to their 401(k) plan. *This amount may be adjusted annually by the IRS.*

What does this mean for me?

If you turn 60, 61, 62 or 63 at any point during the 2025 tax year or beyond, you can contribute a higher catch-up amount to your 401(k). The below example uses numbers from the 2025 tax year to show how workplace savings contributions work. Each year the limits may be adjusted for cost of living by the IRS.



What action do I need to take?

Since the higher catch-up provision won't be available until 2025, now is a great time to talk to a financial or tax advisor about how higher catch-up contributions can become part of your retirement investing plan.

Starting January 1, 2025 you can log into www.401k.com to change your contribution amount. From the Quick Links drop-down menu, select Contribution Amount.

Where should I direct questions?

If you have questions, please call the Fidelity Service Center at 800-835-5097, Monday through Friday, 8:30am – 8:30 pm Eastern Time.