CORIENT

2025 Retirement Cost-of-Living Adjusted Limits

On October 22, 2024, the Internal Revenue Service (IRS) announced cost-of-living adjustments affecting amounts individuals can contribute to their retirement plans, dollar limitations for pension plans and other retirement-related items for Tax Year 2025. Below is a summary of the limits published by the IRS for Tax Years 2025 and 2024*.

Description	2025	2024
401(k) Plan Contributions	$23,500	$23,000
401(k) Catch-up Contributions**	$7,500	$7,500
IRA Contributions	$7,000	$7,000
IRA Catch-up Contributions**	$1,000	$1,000
SIMPLE IRA Contributions	$16,500	$16,000
SIMPLE IRA Catch-up Contributions**	$3,500	$3,500
HSA Contribution Limit, Self-coverage only	$4,300	$4,150
HSA Contribution Limit, Family Coverage	$8,550	$8,300
HSA Catch-up Contributions**	$1,000	$1,000
Qualified Charitable Distributions†	$108,000	$105,000
Estate Lifetime Exemption	$13,990,000	$13,610,000
Annual Exclusion Gift	$19,000	$18,000
Standard Deduction, Married Filing Jointly	$30,000	$29,200
Standard Deduction, Single Filers	$15,000	$14,600

In addition, the phase-out ranges for deductibility of traditional IRA contributions and the phase-out range for eligibility to contribute to a Roth IRA have increased by an average of 5.4%.

MARGINAL RATES

For tax year 2025, the top tax rate remains 37% for individual single taxpayers with incomes greater than $626,350 ($751,600 for married couples filing jointly).

Married Filing Jointly	Single Filers	2025 Tax Rate
$751,601+	$626,351+	37%
$501,051 – $751,600	$250,526 – $626,350	35%
$394,601 – $501,050	$197,301 – $250,525	32%
$206,701 – $394,600	$103,351 – $197,300	24%
$96,951 – $206,700	$48,476 – $103,350	22%
$23,851 – $96,950	$11,926 – $48,475	12%
$23,850 or less	$11,925 or less	10%

* Tax Year 2024 contributions can be made by April 15, 2025. ** Catch-up contributions can be made by individuals aged 50 and over (55 and over for HSA).
For 2025, a higher catch-up contribution limit of $11,250 applies for employees aged 60 – 63 who participate in 401(k), 403(b) and governmental 457 plans.
† Qualified Charitable Distributions allow you to contribute funds to qualified charities directly from your IRA. It is available for taxpayers aged 70½ and over.

LONG TERM CAPITAL GAINS AND QUALIFIED DIVIDENDS TAX RATES

Tax rates shown below do not include the 3.8% net investment income tax, which may be applicable to Married Filing Jointly taxpayers with modified adjusted gross income greater than $250K and Single taxpayers greater with modified adjusted gross income than greater than $200K.

Filing Status	0% Rate Bracket	15% Rate Bracket	20% Rate Bracket
Married Individuals Filing Joint Returns and Surviving Spouse	$0 – $96,700	$96,701 – $600,050	$600,051+
Single	$0 – $48,350	$48,350 – $533,400	$533,400+

ADDITIONAL RESOURCES:

IRS Summary of Retirement Plan Inflation Adjustments:

- https://www.irs.gov/newsroom/401k-limit-increases-to-23500-for-2025-ira-limit-remains-7000
- https://www.irs.gov/pub/irs-drop/n-24-80.pdf

IRS Summary of other 2025 Inflation Adjustments:

- https://www.irs.gov/newsroom/irs-releases-tax-inflation-adjustments-for-tax-year-2025
- https://www.irs.gov/pub/irs-drop/rp-24-40.pdf