New for 2025

Higher catch-up contribution limit

Background

On December 29, 2022, The Setting Every Community Up for Retirement Enhancement Act of 2022 (Secure 2.0 Act) was signed into law by the White House. The retirement legislation includes significant changes that could help strengthen the retirement system and improve Americans' financial readiness for retirement. One key change aims to enhance retirement readiness through workplace savings plans—the higher catch-up contribution.

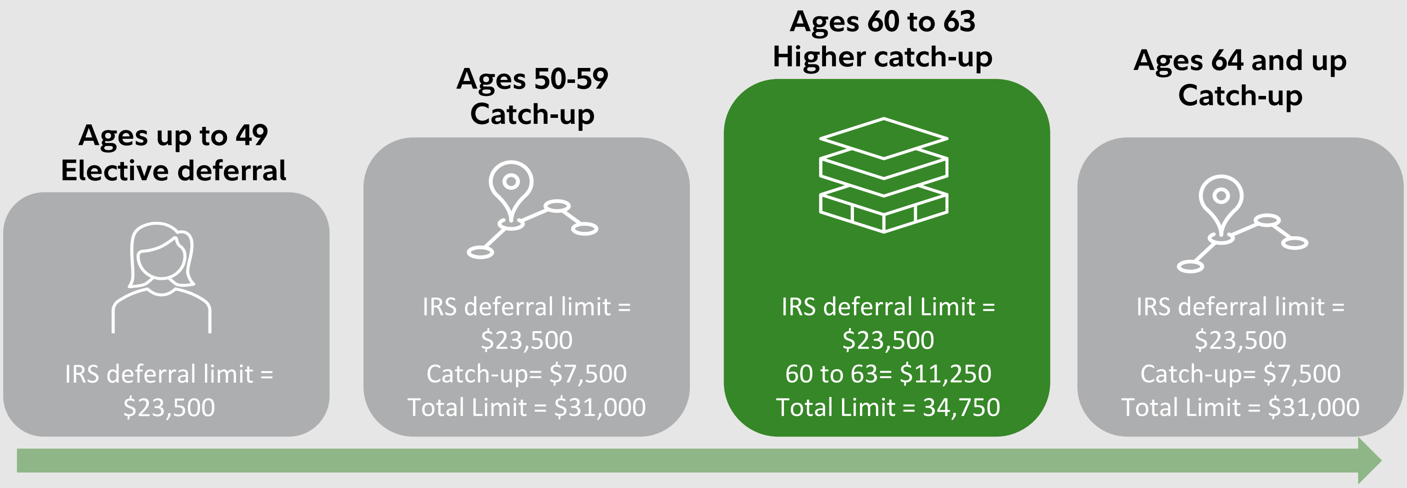
What is a higher catch-up contribution?

Starting in 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 annually to their <401(k); 403(b)> 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 and beyond, you can contribute a higher catch-up amount to your <401(k); 403(b)>. 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.

Participants ages 60-63 are eligible for higher catch-up



*The SECURE Act 2.0 increases the limit for employees who have attained ages 60, 61, 62, and 63 to the greater of (1) $10,000 (indexed) or (2) 150% of the regular catch-up contribution.

*For illustrative purposes only.

What action do I need to take?

To take advantage of this higher catch-up window and maximize your retirement savings, you can log on to netbenefits.com to change your contribution amount. From the Quick Links drop-down menu, select Contribution Amount.

You can learn more about higher catch-up at the IRS contributions page.

Where should I direct questions?

If you have any questions, please call the Fidelity Service Center at 800-835-5097, Monday through Friday, 8:30 a.m.-8:30 p.m. Eastern Time.

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