



# 2025 Cost-of-Living Adjustments

## Retirement Accounts

Workplace Retirement Plans	2025	2024	2023
Elective Deferrals: 401(k), 403(b), most 457 plans	\$23,500	\$23,000	\$22,500
Catch-Up Contributions			
• Age 50+	\$7,500	\$7,500	\$7,500
• Age 60 - 63	\$11,250	N/A	N/A
Puerto Rico Retirement Plans	2025	2024	2023
Elective Deferrals: 1081.01(d) / PR-Only Qualified plans	\$15,000	\$15,000	\$15,000
Catch-Up Contributions: 1081.01(d)/ PR-Only Qualified plans	\$1,500	\$1,500	\$1,500
Elective Deferrals: Dual-Qualified Plans & Federal Thrift Savings Plan	\$23,500	\$23,000	\$22,500
Catch-Up Contributions: Federal Thrift Savings Plan	\$7,500	\$7,500	\$7,500
Benefit Limits: US & Puerto Rico Retirement Plans	2025	2024	2023
Annual Contribution Limit	\$70,000	\$69,000	\$66,000
Highly Compensated Threshold	\$160,000	\$155,000	\$150,000
Annual Compensation Limit	\$350,000	\$345,000	\$330,000
Annual Benefit Limit	\$280,000	\$275,000	\$265,000
Traditional IRA	2025	2024	2023
Traditional IRA Regular Contribution Limit	\$7,000	\$7,000	\$6,500
Age 50 Catch-Up Limit for Traditional IRAs	\$1,000	\$1,000	\$1,000
AGI Phase-Out Ranges for Determining Traditional IRA Deductions for Active Participants:			
• Unmarried Taxpayers	\$79,000 – \$89,000	\$77,000 – \$87,000	\$73,000 – \$83,000
• Married Taxpayers filing joint returns	\$123,000 – \$146,000	\$123,000 – \$143,000	\$116,000 – \$136,000
• Married Taxpayers filing separate returns	\$0 – \$10,000	\$0 – \$10,000	\$0 – \$10,000
• Non-active Participant Spouse	\$230,000 – \$246,000	\$230,000 – \$240,000	\$218,000 – \$228,000
Roth IRA	2025	2024	2023
Roth IRA Regular Contribution Limit	\$7,000	\$7,000	\$6,500
Age 50 Catch-Up Limit for Roth IRAs	\$1,000	\$1,000	\$1,000
AGI Phase-Out Ranges for Determining Roth IRA Regular Contributions:			
• Unmarried Taxpayers	\$150,000 – \$165,000	\$146,000 – \$161,000	\$138,000 – \$153,000
• Married Taxpayers filing joint returns	\$236,000 - \$246,000	\$230,000 – \$240,000	\$218,000 – \$228,000
• Married Taxpayers filing separate returns	\$0 – \$10,000	\$0 – \$10,000	\$0 – \$10,000



# 2025 Cost-of-Living Adjustments

## Health & Welfare Accounts

Flexible Spending Account (FSA)	2025	2024	2023
Employee Contribution Limit for Health & Limited FSA	\$3,300	\$3,200	\$3,050
Medical FSA Rollover	\$660	\$640	\$610
Dependent Care Assistance Account Employee Contribution Limit:			
• Single or married filing a joint return	\$5,000	\$5,000	\$5,000
• Single or married filing a separate return	\$2,500	\$2,500	\$2,500
Monthly Limit for Parking/Transit & Vanpool	\$325/\$325	\$315/\$315	\$300/\$300
Health Savings Account (HSA)	2025	2024	2023
HSA Maximum Contribution:			
• Self - Only Coverage	\$4,300	\$4,150	\$3,850
• Family Coverage	\$8,550	\$8,300	\$7,750
Age 55 HSA Catch-up Contribution	\$1,000	\$1,000	\$1,000
High Deductible Health Plan (HDHP):			
• Annual Deductible-Single	\$1,650	\$1,600	\$1,500
• Annual Deductible-Family	\$3,300	\$3,200	\$3,000
• Maximum Out-of-Pocket-Single	\$8,300	\$8,050	\$7,500
• Maximum Out-of-Pocket-Family	\$16,600	\$16,100	\$15,000

**Elective Deferral Limit:** maximum contribution that a participant can contribute to a Workplace Retirement Plan, such as a 401(k) or 403(b) plan.

**For 1081.01(d)/PR-Only Qualified plans,** the Elective Deferral Limit is the maximum pre-tax contribution permitted for plans qualified solely under Section 1081.01(d) of the Puerto Rico Internal Revenue Code. **For Puerto Rico participants in a Dual-Qualified plan,** the Elective Deferral Limit is \$20,000. Contributions exceeding this limit will be taxable to the participant.

**Annual Benefit Limit:** maximum annual benefit that can be paid to a participant (IRC section 415). Applied limit is the lesser of the dollar limit above **or** 100% of the participant's average compensation (generally the high three consecutive years of service). The participant compensation level is also subjected to the **Annual Compensation Limit**.

**Annual Contribution Limit:** maximum annual contribution amount that can be made to a participant's account (IRC section 415). Limit is expressed as the lesser of the dollar limit **or** 100% of the participant's compensation, applied to the combination of employee contributions, employer contributions, and forfeitures allocated to a participant's account.

**Annual Compensation Limit:** In calculating contribution allocations, a plan cannot consider any employee compensation in excess of this limit. In calculating certain nondiscrimination tests, all participant compensation is limited to this amount.

**457 Deferral Limit:** Similar restriction, applied to certain government plans (457 plans).

**Highly Compensated Threshold** (section 414(q)(1)(B)): minimum compensation level established to determine highly compensated employees for purposes of nondiscrimination testing.

**Catch up Contributions:** Under the Economic Growth and Tax Relief Act of 2001 (EGTRRA), certain individuals aged 50 or over can make catch up contributions. Beginning 2025, individuals aged 60 - 63 may make additional catch-up contributions due to SECURE 2.0 legislation, as determined at the plan level.



**Questions? Let's talk.**  
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