

Contributions Guidelines

Basic Annual Limit

\$23,500 for 2025 and \$23,000 for 2024.

The calendar year limits for elective deferrals are defined as 100% of compensation up to \$23,500 for 2025 and was \$23,000 for 2024. This limit applies to all employees.

Service Based "Catch-up" Limit - 402(g) - Applicable to 403(b) Only

Employees with fifteen or more years of service with the school district may be eligible for a special higher annual limit of \$26,500 for 2025 (\$3,000 additional per year). To qualify, a participant's prior average annual contributions must not exceed \$5,000 per year. This extra annual amount of \$3,000 per year is capped at a cumulative limit of \$15,000. The participant's age is not a factor for determining eligibility for this higher limit. Employees who qualify for this catch-up must take this amount prior to taking advantage of the Age-Based Catch-up. The special Catch-Up provision is calculated and used prior to using the Age-Based additional amount.

Excess contributions occur when the total contributions are greater than the maximum contribution limit (MAC), resulting in additional taxes and/or penalties.

Age Based Additional Amount¹

2025

- Employees who are age 50-59 or 64 or older on December 31, 2025, may contribute an additional \$7,500 above the basic 2025 annual limit of \$23,500 for a total of \$31,000.*

-or-

- Employees who are aged 60-63 on December 31, 2025, may contribute an additional \$11,250 above the basic 2025 annual limit of \$23,500 for a total of \$34,750.*

- **Starting January 1, 2025, SECURE 2.0 Act of 2022 includes a modification of the rules for participants utilizing the age 50 catch-up in 403(b) and 457(b) plans, which allows employees aged 60 to 63 to make higher catch-up contributions the greater of an additional \$10,000 per year or 150% (\$11,250) of the regular age 50 catch-up amount for that year.¹*

2024 - Employees who are age 50 or older by December 31, 2024, may contribute an additional \$7,500 above the basic 2024 annual limit of \$23,000 for a total of \$30,500.

The participant's years of service with their employer is not a factor in determining eligibility for this higher limit.

Employees who contribute to both a 403(b) and 401(k) account are limited to one age-based additional amount per year between the accounts. 457(b) accounts also have an Age-Based additional amount that does not offset the 403(b) and/or 401(k) amount.

¹For 2025, the SECURE 2.0 Act of 2022 includes a modification of the rules for participants utilizing the age 50 catch-up in 403(b) and 457(b) plans. Starting January 1, 2025, employees aged 60, 61, 62, and 63 can make higher catch-up contributions. See our [General Release](#) for more details.

Contribution Accounting Formula

Step 1: The Basic Annual Amount is reduced by the following: Contributions made to all plans of the employer including 401(k) but excluding 457(b). 403(b) contributions made to other employer plans, Contributions to SEP or 401(k) in which the employee would have a 50% interest.

Step 2: Employees eligible for the Service Based catch-up must apply this amount prior to utilizing the Age Based catch-up.

Step 3: The eligible age based limitation is applied to the final basic annual limitation. These rules are explained further in IRS Publication 571. [Click here to view Publication 571 on the IRS website.](#)

Annual Additions Limits

Source: <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-403b-contribution-limits>

Limit on annual additions

The limit on annual additions (the combination of all employer contributions and employee elective deferrals to all 403(b) accounts) generally is the lesser of:

- \$70,000 for 2025 and \$69,000 for 2024, or
- 100% of includible compensation for the employee's most recent year of service. Generally, includible compensation is the amount of taxable wages and benefits the employee received in the employee's most recent full year of service.

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Participants should seek further information regarding their MAC limit each year from their account representative or professional advisor. [Click here to go to our online MAC Calculator.](#)
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*Summary of Maximum Contribution Limits for 2025 and 2024**

	2025	2024
Elective Deferrals (401(k) & 403(b) Plans)	\$23,500.00	\$23,000.00

*Summary of Maximum Contribution Limits for 2025 and 2024**

	2025	2024
457 Deferral Limit	\$23,500.00	\$23,000.00
Age 50-59 and 64+ Age Based Catch-Up Contributions (403(b) & 457(b) Plans) ¹	\$7,500.00	\$7,500.00
Age 60-63 Age Based Catch-Up Contributions (403(b) & 457(b) Plans) ¹	\$11,250.00	N/A
Service Based Catch-Up Contributions (403(b) Plan Only)	\$3,000.00	\$3,000.00
Annual Additions Limit (401(k) & 403(b) Plans Only) Combination of Employee & Employer Contributions	\$70,000.00	\$69,000.00