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What You Need to Know About 401(k) Catch Up Contributions

What are Catch Up Contributions?

Catch up contributions are available to 401(k) plan participants who are at least age 50. The maximum amount any participant can contribute in 2025 is $23,500, but participants over 50 can contribute an additional $7,500 as a catch-up contribution for a total contribution of $31,000.

Beginning in 2025, 401(k) plan participants who are between ages 60 and 63 can make a larger catch-up contribution of $11,250 for a total employee contribution of $34,750.

All of the above dollar limits are indexed each year for inflation.

Changes Coming in 2026 to Catch Up Contributions

Beginning January 1, 2026, retirement plan participants whose Social Security wages in 2025 exceed a certain threshold will be required to make catch up contributions on a Roth basis rather than before taxes. The regulation sets the wage threshold at $145,000, but since that amount is indexed for inflation, the actual threshold for 2026 is expected to be finalized late in 2025 and may be closer to $150,000.

The effect of this change is that Roth contributions are taxed before being contributed to the 401(k) plan, while pretax contributions are not taxable until they're withdrawn.

If a company's 401(k) plan does not currently offer Roth contributions, participants whose compensation exceeds $145,000 may not be allowed to make catch up contributions. Visit with your 401(k) plan's administrative firm for specific information relating to your company's plan.