

Employees become catch-up eligible on the first day of the calendar year in which they will turn 50. They do not already need to be 50 to make catch-up deferrals.

The safe harbor funding examples shown here presume that the maximum compensation level will be reached by plan year-end.

The funding examples for safe harbor matching assume that at least 5% of pay will be deferred from income in addition to the maximum compensation level being reached by plan year-end.

	<b>2025</b>	<b>2024</b>
<b>SALARY DEFERRALS - Pre-Tax &amp; Roth</b>		
<b>For those under 50</b>	<b>\$23,500</b>	<b>\$23,000</b>
<i>Monthly deposits</i>	\$1,958.33	\$1,916.67
<i>Semi-monthly deposits</i>	\$979.17	\$958.33
<i>Bi-weekly deposits</i>	\$903.85	\$884.62
<b>For those 50 or older</b>	<b>\$31,000</b>	<b>\$30,500</b>
<i>Monthly deposits</i>	\$2,583.33	\$2,541.67
<i>Semi-monthly deposits</i>	\$1,291.67	\$1,270.83
<i>Bi-weekly deposits</i>	\$1,192.31	\$1,173.08
<b>For those between age 60 and 63</b>	<b>\$34,750</b>	
<b>MAXIMUM COMPENSATION ALLOWED</b>	<b>\$350,000</b>	<b>\$345,000</b>
<b>SAFE HARBOR – Non-Elective</b>		
3% of maximum compensation	<b>\$10,500</b>	<b>\$10,350</b>
<i>Monthly deposits</i>	\$875.00	\$862.50
<i>Semi-monthly deposits</i>	\$437.50	\$431.25
<i>Bi-weekly deposits</i>	\$403.85	\$398.08
<b>SAFE HARBOR – Basic Matching</b>		
100% of 1 <sup>st</sup> 3% + 50% of next 2% deferred	<b>\$14,000</b>	<b>\$13,800</b>
<i>Monthly deposits</i>	\$1,166.67	\$1,150.00
<i>Semi-monthly deposits</i>	\$583.33	\$575.00
<i>Bi-weekly deposits</i>	\$538.46	\$530.77
<b>ANNUAL ADDITIONS LIMIT</b>		
For those under 50	<b>\$70,000</b>	<b>\$69,000</b>
For those 50 or older	<b>\$77,500</b>	<b>\$76,500</b>
<b>EMPLOYEE DEFINITIONS</b>		
Highly Compensated Employee (HCE)	\$160,000	\$155,000
Key Employee (Officer)	\$230,000	\$220,000
<b>SOCIAL SECURITY WAGE BASE</b>	<b>\$176,100</b>	<b>\$168,600</b>

**TIMELY FUNDING OF PAYROLL DEDUCTED CONTRIBUTIONS – Deferrals & Loan Payments**

The requirements for the timely deposit of salary deferrals and payroll deducted loan repayments are outlined under The DOL's General Rule for 401(k) Deposits. No specific guidance is given as to how employers ensure compliance. However, the DOL has issued a seven business day safe harbor guideline for small employers (those typically under 100 employees) to follow.

For both small and large employers, as a business practice, having a written procedure might be appropriate. A written, verifiable procedure may provide adequate explanation in the event of a DOL audit on the timeliness of deposits. Further, the annual DOL filing for the plan, Form 5500 Annual Report/Return, asks whether employers have deposited employee contributions timely. If you do have any late deposits, in general, a 15% excise tax on the lost earnings for the late deposits will be imposed by the IRS, and the DOL requires that in addition to the funding of the actual deposits, earnings on the delinquent payments must also be contributed.