

Contribution limits to Texa\$aver and Tax-sheltered Annuity accounts have increased

Every year, the Internal Revenue Service (IRS) announces retirement plan contribution limits for the upcoming tax year. For 2025, limits have increased for 457/403b Program participants from \$23,000 to \$23,500. Unless eligible to make catch-up contributions, the maximum amount participants can contribute to a 457 or 403b account in 2025 is \$23,500. If they have both a 457 and a 403b account, they can contribute a total maximum of \$47,000 without catch-up contributions.

The IRS allows participants to make additional catch-up contributions.

Contributions for participants age 50 and over

The catch-up contribution limits for participants who are age 50 or over remains the same as in 2024. Participants can contribute an extra \$7,500 to their 403b and/or 457 as a catch-up contribution, for a total of up to \$31,000 in each plan in 2025.

Annual catch-up limits increased for ages 60, 61, 62 and 63

The [SECURE 2.0 Act](#) enhances retirement savings options and expands coverage for deferred compensation programs, such as the Texa\$aver program and 403(b) tax-sheltered annuity plans. The Act introduces a higher catch-up contribution limit for participants aged 60, 61, 62, and 63.

As of January 1, 2025, during the years a participant is or turns ages 60, 61, 62 and 63, they can save an extra \$10,000 or 150% of the regular annual catch-up limit (whichever is greater) in catch-up contributions. For 2025, the higher catch-up contribution limit for participants ages 60 to 63 is \$11,250 instead of \$7,500. The standard limit resumes the year they turn 64.

The [IRS website](#) has more information about the 2025 contribution limits.