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2025 Financial Planning Highlights

Notable Updates for 2025

Extending the 2017 Tax Cuts? With Republican majorities in the House and Senate, lawmakers will likely look to extend the 2017 tax cuts from the Tax Cuts and Jobs Act ("TCJA"), which were set to expire at the end of 2025

Additional Opportunities for Gifting: The lifetime gift tax exemption increases in 2025 by $380,000 to a new limit of $13,990,000 per person

"Super Catch-up" Contributions: SECURE Act 2.0's new provision for 2025 allows older individuals (age 60-63) to make a "super" catch-up contribution up to $11,250 to their 401(k)/402(b)/457 retirement plan

Planning Opportunities: Advanced planning strategies such as Charitable Remainder Trusts (CRT) may be viable planning opportunities amid still-elevated interest rates

Long-Term Capital Gains Rates

Taxable Income:

0%	<	48.35k Single 64.75k Head of Household 96.70k Married Filing Jointly
15%	*between*	48.35k – 533.4k Single 64.75k – 566.7k Head of Household 96.70k – 600k Married Filing jointly
20%	>	533.4k Single 566.7k Head of Household 600k Married Filing Jointly

Retirement Contribution Limits

	2024	2025
Contribution Limits for 401(k)/403(b) Plans	23,000	23,500
Age 50+ Catch-up (not age 60-63)	7,500	7,500
Age 60-63 "Super Catch-up"	N/A	11,250
Contribution Limits for SIMPLE IRA Plans	16,000	16,500
Age 50+ Catch-up (not age 60-63)	3,500	3,500
Age 60-63 "Super Catch-up"	N/A	5,250

	2024	2025
Contribution Limits for IRAs	7,000	7,000
Age 50+ Catch-up	1,000	1,000
Contr. Limits for Defined Benefit Plans	275,000	280,000
Contribution Limits for SEP IRA and Solo 401(k) Plan	69,000	70,000

The Importance of Asset Location

Thoughtfully allocating your portfolio can greatly enhance after-tax returns.

Allocate higher-growth strategies to Roth retirement accounts (if available)

Allocate tax-inefficient asset classes to Traditional retirement accounts (Traditional IRA / 401(k) / 403(b))

"Round out" the portfolio allocation

Additional SECURE Act 2.0 Updates

Automatic 401(k) Enrollment

Employers will be required to automatically enroll employees in new 401(k) and 403(b) plans

Roth Matching Contributions

Employers will be able to make matching contributions to employees' Roth 401(k) accounts in addition to traditional 401(k) accounts

Looking Ahead to 2026…

Beginning in 2026, individuals age 50+ who earned at least $145k in the prior year will need to make catch-up contributions on a Roth basis, using after-tax money

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