

Important facts to know that impact your 2025 financial planning

Every year, a variety of governmental agencies and programs announce the annual contribution limits, tax rates and payment requirements. We have consolidated these for you to serve as a handy reference guide as you review your financial plan at least annually with your wealth advisor.

Important note: This 2025 data may change based on pending legislation. We will keep this document current as additional updates are required.

RETIREMENT PLAN CONTRIBUTION LIMITS (2025)

Retirement Plans	Annual contribution limit
Elective deferrals 401(k), 403(b), 457, and SARSEPs	\$23,500
Catch-up contribution (Age 50-59)	\$7,500
Catch-up contribution (Age 60-63)	\$11,250
Defined contribution (\$415(c)(1)(A))	\$70,000
Defined benefit (\$415(b)(1)(A))	\$280,000
SIMPLE plan	\$16,500
SIMPLE catch-up contribution	\$3,500
Catch-up contribution (Ages 60-63)	\$5,250
Maximum includible compensation	\$350,000
Highly compensated employee	
Lookback to 2024	\$155,000
Look to 2025	\$160,000
Key employee (top-heavy plan)	>\$230,000
SEP minimum contribution	\$750
IRA or Roth IRA contribution limit	\$7,000
IRA or Roth IRA catch-up	\$1,000
IRA deduction phaseout for active participants	
Single and Head of Household	\$79,000–\$89,000
Married filing jointly	\$126,000–\$146,000
Married filing separately	\$0–\$10,000
Non-active participant married to active participant	\$236,000–\$246,000
Roth IRA phaseout	
Single and Head of Household	\$150,000–\$165,000
Married filing jointly	\$236,000–\$246,000

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2025 MEDICARE PREMIUMS AND OUT OF POCKET EXPENSES

Talk to your wealth advisor about how supplemental insurance can help cover these expenses.

Monthly premium	Part A ¹	\$518
	Part B ²	\$185
Part A (patient payments)	First 60 days	\$1,676 deductible
	Next 30 days	\$419 per day
	Next 60 days (lifetime reserve days)	\$838 per day
Skilled nursing benefits (patient payments)	First 20 days	\$0 per day
	Next 80 days	\$209.50 per day
	Over 100 days	All costs
Part B	Deductible	\$257
	Coinsurance	20%
Part D (Prescription Standard Benefit Model)	Deductible	Deductible \$590
	Coinsurance	25% on next \$2,000
	Out-of-pocket (OOP) threshold	\$2,000
	Beneficiary then pays coinsurance amount for additional covered expenses.	

2025 MEDICARE PART B PREMIUM RATES

You pay	If your 2023 income was:		
	Part D Surcharge	Single	Married Couple
\$185.00		\$106,000 or less	\$212,000 or less
\$259.00	\$13.70	\$106,001–\$133,000	\$212,001–\$266,000
\$370.00	\$35.30	\$133,001–\$167,000	\$266,001–\$334,000
\$480.90	\$57.00	\$167,001–\$200,000	\$334,001–\$400,000
\$591.90	\$78.60	\$200,001–\$500,000	\$400,001–\$750,000
\$628.90	\$85.80	Above \$500,000	Above \$750,000
You Pay	Part D Surcharge	If you are married, filing separately, and your 2023 income was:	
\$185.00		\$106,000 or less	
\$591.90	\$78.60	\$106,001–\$394,000	
\$628.90	\$85.80	Above \$394,001	

SOCIAL SECURITY FRA, WAGE BASE AND TAX RATES

Social Security wage base	\$176,100
FICA tax rate—employee ²	7.65%
SECA tax rate—self-employed	15.3%
Earnings limitation:	
Below FRA (\$1 for \$2)	\$23,400
Persons reaching FRA (\$1 for \$3)	\$62,160
<i>(Applies only to earnings for months prior to attaining FRA)</i>	
Cost-of-living adjustment	2.5%
Quarter of coverage	\$1,810
Maximum benefit: worker retiring at FRA	\$4,018
Estimated average monthly benefit	\$1,976

SOCIAL SECURITY FRA

Year of Birth	Social Security FRA
1943–54	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

For more information, please see definitions. | 1. The Part A premium of \$518 per month applies to persons who have fewer than 30 quarters of coverage under Social Security. For those having 30-39 quarters, the Part A Premium is \$285 per month. | 2. The FICA tax rate is comprised of two separate payroll taxes: Employer portion—6.20% for Old-Age, Survivors, and Disability Insurance (OASDI), and 1.45% for Hospital Insurance (HI); Employee portion—6.20% for Old-Age, Survivors, and Disability Insurance (OASDI), and 1.45% for Hospital Insurance (HI). For self-employed, the SECA is 12.40% for OASDI and 2.90% for HI. | Source: medicare.gov | ssa.gov.

Federal tax rates, deductions, AMT and capital gains rates

2025 TAX RATE SCHEDULES

If your income is:		Then the Gross Tax Payable is:		
Over	But Not Over	Amount	Plus (percent)	Of the Amount Over
Single Taxpayers (other than surviving spouses and heads of households)				
\$0	\$11,925		10% of taxable income	
11,926	48,475	1,192.50	12%	11,925
48,476	103,350	5,578.50	22%	48,475
103,351	197,300	17,651.00	24%	103,350
197,301	250,525	40,199.00	32%	197,300
250,526	626,350	57,231.00	35%	250,525
626,351	—	188,769.75	37%	636,350
Heads of Households				
\$0	\$17,000		10% of taxable income	
17,001	64,850	1,700.00	12%	17,000
64,851	103,350	7,442.00	22%	64,850
103,351	197,300	15,912.00	24%	103,350
197,301	250,500	38,460.00	32%	197,300
250,501	626,350	55,484.00	35%	250,500
626,351	—	187,031.50	37%	626,350
Married Individuals (and surviving spouses) Filing Joint Returns				
\$0	\$23,850		10% of taxable income	
23,851	96,950	2,385.00	12%	23,850
96,951	206,700	11,157.00	22%	96,950
206,701	394,600	35,302.00	24%	206,700
394,601	501,050	80,398.00	32%	394,600
501,051	751,600	114,462.00	35%	501,050
751,601	—	202,154.50	37%	751,600
Married Individuals Filing Separate Returns				
\$0	\$11,925		10% of taxable income	
11,926	48,475	1,192.50	12%	11,925
48,476	103,350	5,578.50	22%	48,475
103,351	197,300	17,651.00	24%	103,350
197,301	250,525	40,199.00	32%	197,300
250,526	375,800	57,231.00	35%	250,525
375,801	—	101,077.25	37%	375,800
Fiduciary (estates and trusts) Taxpayers				
\$0	\$3,150		10% of taxable income	
3,150	11,450	315.00	24%	3,150
11,450	15,650	2,307.00	35%	11,450
15,650	—	3,777.00	37%	15,650

For more information, please see definitions. | Source: www.irs.gov.

INCOME TAX

Standard deduction	Single	\$15,000
	Married filing jointly	\$30,000
	Head of household	\$22,500
	Married filing separately	\$15,000
	Kiddie tax limited standard deduction	\$1,350
	Individual eligible to be claimed as dependent	Greater of \$1,350 or earned income plus \$450, not to exceed full standard deduction of \$15,000
Elderly or blind additional deduction	Single	\$2,000
	Married	\$1,600
Section 179	Maximum election	\$1,250,000
	Phaseout begins	\$3,130,000
Adoption credit (nonrefundable)	Maximum	\$17,280
	Phaseout	\$259,190-\$299,190
Medicare Contribution tax and additional Medicare tax	Single	\$200,000
	Head of household	\$200,000
	Married filing jointly	\$250,000
	Married filing separately	\$125,000
Child tax credit	Dependent under age 17	\$2,000
	Other dependents	\$500
	Phaseout (\$50 for every \$1,000 over)	
	Single	\$200,000
	Married filing jointly	\$400,000

LONG-TERM CAPITAL GAINS RATES BASED ON TAXABLE INCOME

Filing Status	0% rate	15% rate	20% rate
Single	up to \$48,350	\$48,351-\$533,400	over \$533,400
Head of household	up to \$64,750	\$64,751-\$566,700	over \$566,700
Married filing jointly	up to \$96,700	\$96,701-\$600,050	over \$600,050
Married filing separately	up to \$48,350	\$48,351-\$300,000	over \$300,000
Estates and trusts	up to \$3,250	\$3,251-\$15,900	over \$15,900

NET INVESTMENT INCOME TAX

3.8% additional tax based on modified adjusted gross income over the following thresholds:

Filing Status	Threshold amount
Married filing jointly	\$250,000
Married filing separately	\$125,000
Single	\$200,000
Head of household (with qualifying person)	\$200,000
Qualifying widow(er) with dependent child	\$250,000

ALTERNATIVE MINIMUM TAX (AMT)

	Exemption	Phaseout
Single & head of household	\$88,100	\$626,350
Married filing jointly	\$137,000	\$1,252,700
Married filing separately	\$68,500	\$626,350

AMT RATES

26% up to \$239,100 of AMT base
28% over \$239,100 of AMT base

ESTATE AND GIFT TAX

Annual gift tax exclusion	\$19,000
Estate and gift tax basic exclusion	\$13,990,000
Applicable credit amount	\$5,541,800
Generation skipping exemption	\$13,990,000
Maximum estate tax rate ³	40%

STANDARD MILEAGE RATES

Business use	70¢ per mile
Charitable use (not indexed)	14¢ per mile
Medical use	21¢ per mile

HEALTH SAVINGS ACCOUNT

Minimum Deductible Amount	Single	\$1,650
	Family	\$3,300
Maximum Out-of-Pocket Amount	Single	\$8,300
	Family	\$16,600
HSA Statutory Contribution Maximum	Single	\$4,300
	Family	\$8,550
	Catch-up contributions (age 55 or older)	\$1,000

For more information, please see definitions. | 3. A deceased spouse's unused credit amount is portable to a surviving spouse. | Source: www.irs.gov.

EDUCATION

EE bonds for education—exclusion phaseout	Single	\$99,500–\$114,500
	Married filing jointly	\$149,250–\$179,250
Coverdell Education Savings Account (\$2,000 limit) phaseout	Single	\$95,000–\$110,000
	Married filing jointly	\$190,000–\$220,000
Lifetime Learning Credit—20% of qualified expenses up to \$10,000	Single	\$80,000–\$90,000
	Married filing jointly	\$160,000–\$180,000
	100% up to \$2,000 of qualified expenses	
American Opportunity tax credit—maximum of \$2,500	25% on next \$2,000—phaseout:	
	Single	\$80,000–\$90,000
	Married filing jointly	\$160,000–\$180,000
Education loan deduction (\$2,500) phaseout	Unmarried	\$80,000–\$95,000
	Married filing jointly	\$165,000–\$200,000

MISCELLANEOUS

PBGC maximum monthly benefit (at age 65)	\$7,432
LTC per diem limit	\$420
LTC premium as medical expense limitation	
Age 40 or under	\$480
Age 41–50	\$900
Age 51–60	\$1,800
Age 61–70	\$4,810
Age 71 or older	\$6,020
Qualified Transportation Fringe (monthly) Commuter highway vehicle/transit pass	\$325
Qualified parking	\$325
Qualified Longevity Annuity Contract	Max \$210,000
Health Care Flexible Spending Account	Max \$3,300

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Glossary

Catch up contribution: A catch-up contribution is a type of retirement savings contribution that allows people aged 50 or older to make additional contributions to 401(k) accounts and individual retirement accounts (IRAs). Catch-up contributions are larger than the standard contribution limit.

Contribution limit: The maximum amount a person can contribute to his or her retirement account is set each year by the IRS after taking inflation into account.

Defined benefit amount: Internal Revenue Code (IRC) Section 415(b) limits an individual's pension benefit amount. The IRC 415(b) limit affecting public employees is the Dollar Limit. The Dollar Limit for 2025 is \$280,000. Elective deferrals

FRA: Retirees can start receiving Social Security retirement benefits as early as age 62. However, retirees are entitled to full benefits when they reach their **full retirement age**.

Social Security wage base: Social Security's Old-Age, Survivors, and Disability Insurance (OASDI) program limits the amount of earnings subject to taxation for a given year. The same annual limit also applies when those earnings are used in a benefit computation. This limit changes each year with changes in the national average wage index. We call this annual limit the contribution and benefit base. This amount is also commonly referred to as the taxable maximum.

Sources: [irs.gov](https://www.irs.gov) | [medicare.gov](https://www.medicare.gov) | [ssa.gov](https://www.ssa.gov) | [pbgc.gov](https://www.pbgc.gov) | [aaltci.org](https://www.aaltci.org) | [forbes.com](https://www.forbes.com)

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