Want to save more for retirement?

Catch-up contributions may be the answer.

Not sure you saved what you needed while you were younger?

It's okay. You still have a chance to catch up.

If you're age 50 or over:

The IRS says this is how much most people can contribute to an employer-sponsored retirement plan in 2025:[1]

$23,500 2025 401(k) contribution limit[2]	+	$7,500 2025 catch-up contribution limit (or $11,250 if you're age 60 to 63 and your employer's plan allows "super catch-up" contributions)	=	$31,000	Total allowed contributions (or $34,750 if you're age 60 to 63 and your employer's plan allows "super catch-up" contributions)

And here's how much you can contribute to a traditional or Roth individual retirement account (IRA):

$7,000 2025 IRA contribution limit[3]	+	$1,000 2025 catch-up contribution limit	=	$8,000	Total allowed contributions

How do I know if I should make catch-up contributions?

Research from Principal® suggests you may need to save 15% of your pay including employer contributions throughout your career to maintain your current lifestyle in retirement.[4]

If you've been saving less than 15%, you might want to consider catching up—and making up for lost time.

Log in to **principal.com** to start making catch-up contributions.

[1] Internal Revenue Service limits as indexed for the 2025 calendar year. For IRS contribution limits in future years, go to IRS.gov. Catch-up and super catch-up contributions are not allowed in all retirement plans.

[2] Some retirement plans cap the limit at a lower amount, so make sure you look into the plan's details.

[3] Deductibility of contributions to an IRA may be limited by participation in other retirement plans.

[4] Based on analysis conducted by the Principal Financial Group®, October 2024. The estimate assumes a 40-year span of accumulating savings and the following facts: retirement at age 65; a 15% individual rate including employer contributions; Social Security providing 40 percent replacement of income: 4.5% withdrawal of retirement savings; 6 percent annual market returns; 2 percent annual inflation; and 3 percent annual wage growth over 40 years in the workforce. This estimate is based on a goal of replacing about 80 percent of salary. The assumed rate of return for the analysis is hypothetical and does not guarantee any future returns nor represent the return of any particular investment. Contributions do not take into account the impact of taxes on pre-tax distributions. Individual results will vary. Participants should regularly review their savings progress and post-retirement needs as savings depends on many factors, including lifestyle, social security replacement, and retirement age.

Replacement factor of 80% is based on our industry experience and GAO Retirement Security Report to Congressional requestors. The estimated average total spending for post-retirement households was about 77 percent of the spending levels for pre-retirement households. GAO, 2013 CE Data; 16-242, Retirement Replacement Rates.

This document is intended to be educational in nature and is not intended to be taken as a recommendation.

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