

Massachusetts Deferred Compensation SMART Plan

HOW MUCH CAN I CONTRIBUTE?

In 2025, you have an opportunity to save toward your retirement and make up for lost time with contribution limits up to \$47,000. How much can you contribute within IRS limits? This guide will show you.

	Annual limit	Age 50+ catch-up	Age 60–63 catch-up	Three-year catch-up
2025	\$23,500	\$31,000	\$34,750	\$47,000
2026 or later	Expected to be adjusted for inflation			

2025 contribution limits

Annual limit: The minimum contribution amount to participate in the Massachusetts Deferred Compensation SMART Plan (SMART Plan) is 1% of your gross income or \$10 per pay period. You can contribute a maximum of 100% of your includible compensation, not to exceed the annual IRS limit of \$23,500 in 2025.

Age 50+ catch-up: If you are age 50 or older during the 2025 calendar year, you may contribute an additional \$7,500 for a maximum contribution of \$31,000 in 2025.

Age 60–63 catch-up: If you turn age 60, 61, 62 or 63 in 2025, you can contribute an additional \$11,250 for a maximum contribution of \$34,750 in 2025.

In the year you turn age 64, the catch-up contribution limit returns to \$7,500.

Three-year catch-up: If you are in the three years prior to the year in which you reach your normal retirement age and have under-contributed in prior years, you may use the three-year catch-up provision. This allows you to contribute up to an additional \$23,500 in 2025, amounting to a total possible maximum contribution of \$47,000.

In order to qualify for the three-year catch-up provision, you must have underutilized contributions with the same employer from previous years.

The three-year catch-up, the age 50+ catch-up and age 60–63 catch-up provisions cannot be used in the same year. You should evaluate which catch-up provision is most favorable for you.



A worksheet is available to help you determine your three-year catch-up contribution eligibility. Before you get started, it is helpful to gather required information:

- The number of years you were eligible to contribute to the SMART Plan or other qualified retirement savings plans after January 1, 1980.
- Your annual compensation for previous years. You can get this information from your IRS W-2 forms or from other records that indicate your compensation.
- The amount you contributed to the SMART Plan or other qualified retirement savings plans in previous years. You can get this information from previous years' plan account statements.

Example: If you were eligible to contribute \$22,500 in 2023 and \$23,000 in 2024 but only contributed \$10,000 each year, you would be eligible to catch up on \$25,500 in underutilized contributions.

To request a Catch-Up Application and worksheet, please call the SMART Plan Service Center at **877-457-1900**. For help determining your three-year catch-up contribution eligibility, please contact your local SMART Plan Retirement Plan Advisor at **877-457-1900** (say "representative") or go to www.mass-smart.com > *Plan resources* >

Find your representative.

What is normal retirement age?

The SMART Plan defines normal retirement age as 70½ or an earlier age as selected by the participant. In selecting an alternate normal retirement age, a participant may choose any age that is: 1) not earlier than the earliest age at which the participant has the right to retire and receive unreduced retirement benefits from the employer's basic pension plan; and 2) not later than the date the participant attains age 70½.

If I participate in another retirement plan, is my annual contribution limit reduced?

No. There is an opportunity for you, if eligible, to participate in multiple retirement plans and maximize contributions. Annual contribution limits to a 457 Plan are not reduced by deferrals to 403(b) and 401(k) plans.

May I increase or decrease my contribution amount or stop contributing?

Yes. You may increase, decrease or stop your contributions at any time by calling the SMART Plan Service Center at **877-457-1900** or by logging on to the website at www.mass-smart.com.

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