

**Abstract:** Early in the new year, most taxpayers are more concerned with their 2024 tax bills than how they'll handle 2025 tax issues. However, as taxpayers contemplate and prepare for their annual tax filing, it's a good idea to become familiar with the tax changes to come.

## **Answers to five key tax questions about 2025 taxes**

Right now, you may be more focused on your 2024 tax bill than on planning your tax finances for the new year. However, as you work through your annual tax filing, it's a good idea to familiarize yourself with pertinent amounts that may have changed for 2025 due to inflation adjustments.

Here are five commonly asked questions — and answers — about 2025 tax figures:

**1. *How much money can I contribute to an IRA?*** If you're eligible, you can contribute up to \$7,000 a year to a traditional or Roth IRA or up to 100% of your earned income, whichever is less. If you're age 50 or older, you can make another \$1,000 "catch-up" contribution. (These amounts are unchanged from 2024.)

**2. *What's the maximum I can contribute to a 401(k) plan through my job?*** For 2025, you can contribute up to \$23,500 to a 401(k) or 403(b) plan (up from \$23,000 in 2024). If you're age 50 or older, you can make an additional \$7,500 catch-up contribution (unchanged from 2024). Under a change that takes effect in 2025, employees ages 60, 61, 62 or 63 can make catch-up contributions of up to \$11,250, which includes the \$7,500 that is otherwise allowed.

**3. *How much do I have to earn to stop paying Social Security on my salary?*** The Social Security tax wage base is \$176,100 for 2025, up from \$168,600 for 2024. That means you don't owe Social Security tax on amounts earned above this threshold. (Medicare tax must be paid on all amounts earned.)

**4. *What are the standard deduction amounts?*** For married couples filing jointly, the 2025 standard deduction amount is \$30,000 (up from \$29,200 in 2024). For single filers, the amount is \$15,000 (up from \$14,600) and, for heads of households, it's \$22,500 (up from \$21,900).

Unless your itemized deductions (such as charitable gifts and mortgage interest) exceed your standard deduction, you won't itemize for 2025.

**5. *How much can I give to one person without triggering a gift tax return?*** The annual gift exclusion for 2025 is \$19,000 (up from \$18,000 in 2024).

These are only some of the tax figures that may apply to you. Feel free to contact us for more information.