

# Important Points To Know...

## about *Internal Revenue Code 415(b) limits*

Please review the following information when planning and filing for retirement.  
For retirement counseling call: 410-625-5555 or 1-800-492-5909.

Internal Revenue Code Section 415(b) imposes a dollar limit on the benefit amount the Maryland State Retirement Agency can pay from tax-deferred plan funds.

Because some members may retire at a relatively early age with a high percentage of highest average final compensation, a few may encounter this limit.

The IRC 415(b) limit increases as the age at retirement increases. The abbreviated table at right applies for persons retiring in 2025. The table outlines the annual benefit limitation amounts for non-disability, non-police retirees.

Prior to retirement, the following four steps may help you determine if the 415(b) limit will apply to you:

- ① Log into **mySRPS** and generate an estimate of your Basic Allowance.
- ② Compare your estimated Basic Allowance to the amount in the table on the right for the retirement age you used to estimate your benefit. Remember to annualize (multiply by 12) the amount listed as your Basic Allowance since the abbreviated 415(b) table reflects annual allowances.
- ③ If your annualized estimated Basic Allowance is less than the amount shown in the table, you should not be subject to the 415(b) limit. However, the limit may be further reduced if at retirement you select a payment option other than the Basic Allowance.
- ④ If your annualized estimated Basic Allowance is more than the amount shown in the table, you may be subject to the 415(b) limit.

If item 4 applies to you, further analysis by the Retirement Agency's actuary will be required to determine if your benefit will be limited. The analysis will be performed when the Retirement Agency receives your retirement application. If the actuary determines that your benefit exceeds the 415(b) limit, the Retirement Agency will pay you directly the maximum amount permitted under 415(b). Please be aware that cost-of-living adjustments are also subject to the 415(b) limits as adjusted.

Before retirement, make certain to obtain a current Notice of Retirement Allowance Estimate and consult with a qualified tax adviser who is familiar with your finances, including your participation in any other retirement plans. Maryland State Retirement Agency staff cannot provide tax advice.

*This document provides general information about the effect of Internal Revenue Code Section 415(b) limits on Maryland State Retirement and Pension System benefits. Your rights, benefits and obligations under this system are governed by the State Personnel & Pensions Article of the Maryland Annotated Code, the rules of the Maryland State Retirement and Pension System and federal law, all of which take precedence over any interpretations provided here.*

### Abbreviated Table of Section 415 Limits for

## 2025

Limit increases each  
month a member ages

| Age     | Limit (\$) |
|---------|------------|
| 50      | 125,039    |
| 51      | 133,010    |
| 52      | 141,598    |
| 53      | 150,866    |
| 54      | 160,882    |
| 55      | 171,726    |
| 56      | 183,486    |
| 57      | 196,262    |
| 58      | 210,169    |
| 59      | 225,335    |
| 60      | 241,910    |
| 61      | 260,066    |
| 62      | 280,000    |
| 63      | 280,000    |
| 64      | 280,000    |
| 65 & up | 280,000    |

Limitation amounts are  
based upon annual  
retirement allowance.  
(Monthly x 12)

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