

20 Important Retirement Changes in the Last 20 Years

Between 2005 and 2025, sweeping legislative changes and ongoing improvements to retirement plans have helped more hardworking Americans save more for their retirement futures.

The financial and retirement industries, financial advisors and planners, and each new session of Congress have advanced opportunities for more individuals to become retirement-ready and retirement-income savvy. Yet in some cases, there have been setbacks, particularly in Social Security benefit payments.

Here's a look at 20 of the most significant changes for retirement savers and retirees over the last 20 years.



Between 2005 and 2025, key Social Security changes include:

1. The maximum benefit paid to highest earners has increased 103% from \$1,982 to \$4,018
2. Three of the years had 0% COLA (2009, 2010, 2015)
3. 2022 saw the largest COLA increase since 1980—an 8.7% increase
4. File & suspend loophole was closed, eliminating the restricted spousal early claim
5. WEP and GPO were repealed, boosting income for some 3 million public sector workers
6. The reserve account was tapped beginning in 2021 to meet 100% of benefit payments due



Between 2005 and 2025, key Medicare changes include:

7. Medicare Part D was introduced to help retirees pay for rising prescription costs
8. Part B IRMAA began in 2007, creating a means test for high-income retirees
9. In 2010, Part B standard premium jumped 15% and was over \$100 per month for the first time (\$110.50)
10. Part D IRMAA was added in 2011
11. Infamous Part D donut hole closed in 2019
12. Part D out-of-pocket costs capped at \$2,000 for covered Rx's

Between 2005 and 2025, key retirement savings and income changes include:



13. IRA and Roth contributions have increased from \$4,000 to \$7,000 per year; catch-ups doubled from \$500 to \$1,000 for those age 50+
14. 401(k)/403(b) limits have increased from \$14,000 to \$23,500; catch-ups almost doubled from \$4,000 to \$7,500
15. SEP-IRA limits increased 67% from a maximum of \$42,000 to \$70,000
16. Roth accounts became available in 401(k)/403(b) plans in 2006
17. Qualified Charitable Distributions from IRAs were made permanent in 2015
18. SECURE 1.0 changed RMD age from 70 ½ to 72, then SECURE 2.0 changed age to 73 and 75 depending on year of birth
19. SECURE 1.0 removed the age limitation for making IRA contributions, but an individual must have earned income
20. A special "super catch-up" of \$11,250 became available in 2025 for those 60 - 63 whose 401(k)/403(b) opted in

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Critical Retirement Program Milestones in 2024, 2025



Social Security turned 90 in August 2025. The program was designed in 1935 to:

- Keep the elderly out of poverty in retirement
- Ensure a social safety net for workers and families
- Calculate benefits based on each worker's wages for fairness



Medicare reached its 60th anniversary in July 2025. The program was designed in 1965 to:

- Ensure affordable access to care while protecting older Americans from financial hardship
- Help seniors pay for hospital stays (Part A)
- Provide cost-sharing help for seniors to pay for doctors and outpatient services (Part B)



By 2024, ERISA had been in place for 50 years. Launched in 1974, it was the start of a new era:

- Set minimum standards for private employer-sponsored retirement and health plans.
- Established a strong fiduciary standard
- Allowed individuals to save in Individual Retirement Accounts (IRA)

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