Important Update: Changes to Catch-Up Contributions Beginning in 2026

what this means for you?

- If you are **age 50 or older and earned $150,000+ in 2025**, any catch-up contributions you make must be designated as Roth contributions starting in 2026.
- **Roth contributions are made with after-tax dollars,** which means you won't get a tax deduction up front, but your withdrawals in retirement will generally be tax-free.
- This **change only applies to catch-up contributions**; your standard contributions and employer contributions are not affected.
- Unlike in Roth IRAs, Roth contributions in 401(k)s are not restricted based on income levels. You may contribute on a Roth basis in your 401(k) regardless of your income.

We want to make you aware of an upcoming change that could impact your retirement plan contributions.

Beginning January 1, 2026, due to a provision in the SECURE 2.0 Act, all catch-up contributions (the extra amounts employees age 50 and older can contribute to their retirement account) will be required to be made on a Roth basis if your FICA earnings were $150,000 or more in 2025 (this amount will be indexed annually).

We recommend reviewing your contribution elections and tax planning strategies ahead of this change. Our goal is to make sure you have the information and resources you need to continue saving effectively for retirement.

If you have questions about how this impacts you, please reach out to your HR team or your intellicents consultant.

401(k), 403(b), and 457 plans	2026 IRS limits
Elective contributions	**$24,500**
Catch-up contributions	**$8,000**
Only Ages 60-63	**$11,250**

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source: irs.gov

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