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IMPORTANT RETIREMENT PLAN INFORMATION

MANDATORY ROTH CATCH-UP CONTRIBUTIONS FOR HIGH-WAGE EARNERS



Starting January 1, 2026, if you earned more than \$150,000 in Social Security wages from the same employer in the prior year, your catch-up contributions must be made to a Roth account. This requirement is the result of the SECURE 2.0 Act.

Roth contribution considerations

- Roth contributions are made with after tax dollars
- Contributions made with after-tax dollars will not reduce your taxable income in the year they are made
- Roth contributions will grow tax-free and can be withdrawn tax-free on qualified distributions¹

What are catch-up contributions?

Catch-up contributions are additional contributions allowed by the IRS to help those age 50 and older save more for retirement. These contributions can substantially boost your retirement savings, ensuring you're better prepared for the future.

WHAT ARE THE CATCH-UP CONTRIBUTION LIMITS?

The amount you can contribute is based on your age by December 31st.

**If you will be age 50 or older by December 31st,
you can contribute an additional \$8,000 in 2026**

IRS Contribution Limit \$24,500

+ Catch-up contribution \$8,000

Total contribution \$32,500

**If you will be age 60-63 by December 31st, you
can contribute an additional \$11,250 in 2026**

IRS Contribution Limit \$24,500

+ Catch-up contribution \$11,250

Total contribution \$35,750

MANDATORY ROTH CATCH-UP CONTRIBUTIONS FOR HIGH WAGE EARNERS

Who is considered a high-wage earner?

The IRS defines high-wage earners as those who earned more than \$150,000 or more in Social Security wages during the prior calendar year with the same employer. This amount will be adjusted for inflation, as necessary. You can find your Social Security wage information on your W-2 statement in Box 3.

What if I'm not considered a high-wage earner?

If you earned \$150,000 or less in Social Security wages in the prior calendar year, you may continue to choose to contribute catch-up contributions as either before-tax or Roth.

What if I don't want to make Roth catch-up contributions?

If you are considered a high-wage earner and do not want to contribute catch-up contributions, you will need to change your contribution percentage to zero once you reach the IRS contribution limit. To begin contributing again, you will need to change your election from zero.

What if my retirement plan does not offer Roth contributions?

If your plan does not offer Roth and you are considered a high-wage earner, you will not be able to make catch-up contributions.



TAKE TIME TO REVIEW YOUR RETIREMENT PLAN ACCOUNT

Reviewing your account will help you make informed decisions and stay aligned with your financial goals. Changes to your account can be made from the ADP Mobile Solutions App or by [signing into your account](#).

¹ Qualified distributions include age 59½, death and disability and you must hold the Roth account for at least five years in order to avoid taxes and penalties. There are exceptions to the early withdrawal penalty, such as a first-time home purchase, college expenses, and birth or adoption expenses.

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