Subject: Important Update: Roth Catch-Up Requirement Starting January 1, 2026
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From: Benefits
To: Benefits
Attachments: image002.png

Bcc: Employees currently age 50+ or will turn age 50 or older in 2026

Roth Catch-Up Requirement: What's Changing | **What This Means for You** | **Why This Matters** | **Next Steps and Additional Resources**

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As we look ahead to 2026, we want to help you stay informed about upcoming changes that could affect your retirement planning. Starting next year, a new rule under the SECURE 2.0 Act will impact how employees age 50 or older make catch-up contributions to retirement plans.

What's changing?

If you are currently age 50+ or will turn age 50 or older in 2026 and earned $150,000* or more in 2025 (Social Security wages; box 3 of your W-2), any catch-up contributions must be made on a Roth basis.

**Indexed annually*

What this means for you

To make this change as simple as possible, Proofpoint will use an automated deemed election process. This means:

- Once you reach the regular IRS contribution limit, any additional **catch-up contributions will automatically continue as Roth (after-tax) within your same 401(k) account**—even if your current election in Fidelity is set to pre-tax. No action is needed by you.
- Unless you want to increase, decrease, or stop your contribution, you won't need to make any changes in Fidelity; this update will be handled through payroll and reported directly to Fidelity.

  Note: Your Fidelity account will continue to display your original election (pre-tax or Roth).
- If you earned less than $150,000* in 2025, you can continue to choose whether your catch-up contributions are pre-tax or Roth.

Why this matters

Roth contributions are after-tax, which means:

- **Taxes:** You'll pay taxes on Roth contributions now, but qualified withdrawals and earnings later are tax-free*.
- **Impact on Savings Strategy:** Your retirement savings strategy and long-term planning may be affected.
- **Take-Home Pay:** Since Roth contributions are after-tax, your take-home pay may be slightly lower than in years when catch-up contributions were pre-tax.

****Qualified Roth distributions are tax-free if the five-year aging requirement is met and you are age 59½, disabled, or deceased.***

Next Steps

- **Learn more:** Read about Roth contributions at this link: Fidelity Roth Contributions.

- **Check Your W-2:** Review your 2025 Proofpoint W-2 to confirm Social Security wages once available in January.
- **Get Free Advice:** Talk to a financial advisor about how Roth contributions may affect your goals. Sign up using this link: [401(k) Sessions].
- **Review Elections:** Log in to view your current elections, at this link: netbenefits.com.
- **Check IRS Limits:** Learn more about the 2026 IRS contribution limits, linked here: 2026 IRS Limits.

Questions?

Open a **Workday Help ticket** for assistance.