

# AXOS ACCOUNT TYPE EXPANSION: Employer Sponsored Plans Gain Flexible Roth Features with SECURE 2.0

Coming January 2026

We are excited to announce that beginning in January 2026, Axos Advisor Services will offer a new suite of Roth account types, expanding after-tax retirement savings options within Qualified Plans, SIMPLE IRAs, and SEP IRAs. As Roth strategies continue to grow in popularity, recent changes under the SECURE 2.0 Act have created new avenues for tax-efficient planning. These new account types represent a strategic opportunity for advisors to deepen relationships with business owners who sponsor retirement plans or are considering starting one.

## What are the new Roth account types?

In Early 2026, Axos will be introducing the following new Roth account types:

- Qualified Plan Roth
- SIMPLE Roth IRA
- SEP Roth IRA

## Why are we adding new account types?

The SECURE 2.0 Act of 2022 introduced new Roth provisions that:

- Allow employees in eligible plans to designate their deferrals and/or employer matching contributions as Roth.
- Allow Roth treatment of employer matching contributions for SIMPLE and SEP IRAs.

These contributions must be segregated from pre-tax contributions and deposited into separate Roth accounts, driving the need for these new account types on our platform.

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### Investment Products: Not FDIC Insured - No Bank Guarantee - May Lose Value.

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## Required Documentation & Forms

### SIMPLE and SEP Roth IRAs:

- Axos is providing a SEP IRA SECURE 2.0 Kit and a SIMPLE IRA SECURE 2.0 Kit in December 2025 to support Roth feature implementation for SEP and SIMPLE IRA plans. The kits will be available on our [forms website](#) and may be used in conjunction with the IRS Forms 5304-SIMPLE and 5305-SEP.
- Our annual SIMPLE IRA employer mailing in **September 2025** also included materials and applicable forms for documenting the new SECURE 2.0 features including Roth. This IRS required employer notification was mailed to all **employers** who had an active SIMPLE IRA plan with Axos Advisor Services.
- The IRS has not yet released updated **5305-SEP** or **5304-SIMPLE** forms reflecting SECURE 2.0 changes. \*

\*As of December 9, 2025, the IRS has not updated IRS Form 5304-SIMPLE. However, on June 26, 2025, the IRS requested comments from the general public and other federal agencies on this form, to be submitted through August 25, 2025.

### Documents included in SECURE 2.0 Kits:

- **Additional SECURE 2.0 Plan Provisions Employer Election Form:** This form is intended for the employer to specify how the plan will be operated concerning these provisions until formal plan amendments are available. Employer will complete, sign, and retain this election form with the SIMPLE IRA plan documents to record the elections for the plan.
- **Participation Notice and Summary Description:** Employer will complete this form in accordance with the plan's rules and provide it to each employee who may be eligible to participate in the plan.
- **Salary Reduction Agreement:** Employer will provide the document to each employee who may be eligible to participate in the plan.
- **Pre-Tax/Roth Simple IRA Matching or Nonelective Contribution Election Form:** If employer permits employees to choose to receive Employer Matching or Nonelective Contributions as SIMPLE Roth contributions in place of pre-tax employer contributions under the plan, they may provide this form to each employee who may be eligible to participate in the plan.

Employers are required to provide an annual notice to all employees who may be eligible to participate in the plan before the start of the election period. Generally, the election period is the 60 days preceding January 1 of a calendar year (starting on November 2). However, there are cases where the election period dates are modified. For more information about SIMPLE IRA or SEP plans, notification requirements, and employer responsibilities, visit the IRS website at <https://www.irs.gov/retirement-plans/plan-sponsor/simple-ira-plan> or <https://www.irs.gov/retirement-plans/plan-sponsor/simplified-employee-pension-plan-sep>

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## IMPORTANT!

While Axos Advisor Services is providing the forms for the employers' convenience, it is important to remember that it is the plan sponsor's/employer's responsibility, and not Axos Advisor Services', to monitor for any changes to the IRS plan adoption forms and to ensure the plan and plan documentation (including all forms) are up to date and comply with all applicable laws, rules, and regulations.

### Qualified Plan Roth Accounts:

- **Plan sponsors** are responsible for maintaining an IRS-approved plan document.
- **Plan sponsors** should work with their Third-Party Administrator (TPA) to confirm and adopt Roth options.
- Separate Roth accounts must be used to track **Roth-designated contributions**.

### Opening New Roth Accounts:

- The new Roth account types will require a separate, **dedicated application**, being released on December 18, 2025.
  - Any applications or monies received prior to 2026 for the new Roth account types will be held until January 2, 2026, before being processed.
- This separate application ensures flexibility as we await any final IRS guidance and avoids disruption to our existing account application.
- While forms may begin referencing Roth account types in 2025, these accounts **cannot be funded** or opened before **January 2, 2026**.

### Payroll Contribution Processing:

Employers may continue using the existing payroll file submission process. To help facilitate proper handling of Roth contributions, submissions should:

- Include the correct **Roth** account number.
- Indicate whether each contribution is an **employer** or **employee** contribution.
- Providing this information will support appropriate processing and classification within our systems.

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## Tax Information

### Tax Forms

The IRS has provided some guidance on reporting for the new Roth account types. Based on current understanding, here's how contributions will be reported by Axos:

Tax Form	Purpose	Applicable Roth Account Types
Form 5498	Reports annual contributions, including employer Roth contributions	SIMPLE Roth IRA, SEP Roth IRA
Form 1099-R	Reports distributions, including Roth employer contributions received for the year they are received	SIMPLE Roth IRA, SEP Roth IRA, Qualified Plan Roth

### Important Tax Considerations under current IRS guidance

- Employer Roth contributions **are** subject to income tax but are **not withheld** at the time of contribution under current IRS guidance.
- Axos will issue a **Form 1099-R** for the full amount of employer Roth contributions for the year the contributions are received at Axos.
- Employers offering **Roth employer** contributions can help **educate** their employees accordingly by encouraging them to **plan ahead** for income tax liability since there is no withholding at the time of the contribution.

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## Recent SECURE 2.0 Guidance Release

On September 15<sup>th</sup>, the Department of Treasury and the IRS released final regulations on the SECURE 2.0 catch-up rules. Below are the changes to the final effective dates of the catch-up provisions:

Rule	Statutory Effective Date	Final Regulations Effective Date
Catch-Up Contributions Required to be Designated Roth Contributions (Sec. 603)	Taxable years beginning after Dec. 31, 2023*	Taxable years beginning after Dec. 31, 2026
*IRS granted a 2-year transition period (Notice 2023-62) to taxable years beginning after Dec. 31, 2025		
Age 60-63 Catch-Up Contributions (Sec. 109)	Taxable years beginning after Dec. 31, 2023.	Taxable years beginning after Dec. 31, 2026

## Tax Treatment of Employee versus Employer Roth Contributions

The tax treatment of Roth contributions depends on whether the contribution is made by the **employee** or the **employer** and follows different IRS reporting and taxation processes.

	Roth Employee Deferrals	Roth Employer Contributions
<b>Withholding Required by Employer?</b>	Contributions are taxable and employers withhold income tax from the paycheck	While contributions are taxable, according to current IRS guidance, employers do not withhold taxes at the time of contribution
<b>1099-R Form Issued by Axos upon Contribution</b>	Not applicable	Form 1099-R issued to participant for the full contribution amount
<b>Common Source of Questions?</b>	Generally well understood, since it's an established practice to withhold taxes through payroll	Can be confusing: Form 1099-R resulting from an employer Roth contribution may look like a distribution, even though no funds were withdrawn

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## Frequently Asked Questions

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### **What if an employer wishes not to offer Roth features?**

- Roth features are optional. The employer can continue to maintain a pre-tax plan. SIMPLE and SEP IRA plan sponsors can continue using the 5304-SIMPLE or 5304-SEP IRS forms.

### **Can an employer offer Roth deferrals without offering employer Roth contributions?**

- Yes, the employer can elect one or both types of Roth contributions in a SIMPLE IRA.

### **If an employer makes Roth account types available in their plan are employees required to contribute on a Roth basis?**

- No, if an employer offers Roth, they will inform employees, who then choose between Roth and pre-tax contributions.

### **Does an employee need both a pre-tax and Roth account if all contributions go into one of these sources?**

- No. Unlike the solo(k) offering, it is not necessary to open a pre-tax or Roth account if no contributions are made to that source.

### **Does Axos track first year Roth and Roth basis?**

- No, Axos does not track the first year of Roth contributions or Roth basis.
- Clients must retain this information and provide it at the time of distribution.

### **Are there any special fees associated with the new Roth account types?**

- No, there are no specialized fees associated with the new Roth account types.

### **What other SECURE 2.0 provisions are available for SIMPLE IRA plans through the SIMPLE IRA SECURE 2.0 Kit?**

- Optional increased elective deferrals and catch-up contribution limits provisions (for eligible employees employing between 25-100 employees, other qualifications apply)
- Mandatory increased elective deferrals and catch-up contribution limits provisions (for employers employing under 25 employees, other qualifications apply)
- Additional non-elective contributions provisions.

We're proud to bring these new Roth account types to our platform and appreciate your continued partnership as we work together to expand tax-advantaged savings opportunities for your clients. These enhancements reflect both the evolving retirement landscape and our ongoing commitment to supporting your success. Thank you for your trust in Axos Advisor Services. We look forward to helping you navigate these changes and seize the opportunities they bring in 2026 and beyond.

## **Help & Support**

If you have questions about new account types, contact your Client Service Advocate.

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