Secure Act 2.0

# Coming in 2026: Roth Catch-Up Requirement

IMPORTANT UPDATE

Fidelity INVESTMENTS

Starting January 1, 2026, a new rule under the SECURE 2.0 Act will impact how certain employees can make catch-up contributions to their retirement plans.

## What's Changing?

If you're turning age 50 or older in 2026 **and** your total 2025 FICA wages (Box 3 of your W-2)[1] with your current employer were more than $150,000*, any catch-up contributions you make in 2026 must be made on a Roth basis.

## What this means for you:

Starting in 2026, your retirement plan will treat catch-up contributions as **Roth** for participants whose 2025 FICA wages exceed $150,000*. This is considered a deemed Roth election under the Roth Catch-up requirement.

If your 2025 **FICA wages were over $150,000*,** any catch-up contributions over the applicable plan limit you make in 2026 must be made on a Roth basis.

If your 2025 **FICA wages were $150,000* or less,** your catch-up contribution may be **pre-tax or Roth**, depending on your plan options.

## Why this matters:

Roth contributions are after-tax deductions, which means:

- You pay taxes on the money you contribute now, but when you take a qualified distribution‡, you will not owe taxes on that money or any attributable earnings.
- Your retirement savings strategy and tax planning may be impacted, including potential changes to your net take-home pay.
- Because Roth contributions do **not lower your taxable wages**, you may see a **decrease in your take-home pay** compared to previous years when catch-up contributions were pre-tax.

## Next Steps

- **Learn more** about Roth contributions.
- When available, review your 2025 W-2 to check your FICA[1] wages to see if you are subject to the Roth Catch-up Requirement.
- Talk to a financial advisor to understand how Roth contributions may impact your goals.
- Login to **NetBenefits®** to view or update your contribution elections.