Your Green®
Did you know?

Changes are coming to employer retirement plan "CATCH-UP" contributions for those ages 50+.

Beginning in 2026, for ***highly paid employees***, any type of catch-up contribution must be made into an **after-tax Roth** 401k/403b/govt 457b account.

> **If the plan does not allow Roth contributions (although most do), then these highly paid employees cannot make any catch-up contributions — pre-tax or Roth.**
> ***-Ed Slott & Co.***

For 2027, a "highly paid employee" is defined as making $155K+ in FICA wages for 2026.

2027 contribution maximums have just been released, so, to illustrate this further: $25,500 is the base contribution amount. Those 50+ can add a $8,500 catch-up amount. Those 60-63 can add a $3,250 "super catch-up" amount (**max total of $11,750 in catch-up amounts**) – for *up to $37,250 in allowed 401k/403b/457b total contributions.*

Since 2026, the total of all catch-up contributions will only be allowed in an after-tax Roth account.

Note: *This change does not apply to non-governmental 457(b) plans (which do not allow Roth contributions) or to SIMPLE IRA plans (which do allow them). The Roth mandate applies to both "regular" catch-up contributions for employees who turn age 50 or over and the new "super catch-up" for employees who turn ages 60, 61, 62, or 63 during the year.*

Roger's thoughts:
Now is a great time to ask your HR department about adding Roth capability to their 401(k) plan, if the plan does not currently allow Roth contributions.

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