



2026 401(k) Catch-Up Rules

Beginning January 1, 2026, the IRS will require that all 401(k) catch-up contributions for employees earning more than \$150,000 (indexed annually) be made on a Roth (after-tax) basis. This change is part of the SECURE 2.0 Act.

What This Means for You

- You will not need to make a new contribution election in order to take advantage of the 401(k) catch up – same as in prior years. A 401(k) catch-up contribution is an extra amount of money an employee can contribute to the 401(k) once they turn 50.
- Any 401(k) catch-up contributions you make in 2026 and beyond will automatically be treated as Roth catch-up contributions. This is referred to as a deemed Roth.
- You will pay taxes on these Roth catch-up contributions in the year they are made, but future qualified withdrawals, including earnings, will be tax-free.

What You Need to Do

- No action is required now. Our plan will handle the conversion automatically.
- Plan ahead for the tax impact of Roth catch-up contributions starting in 2026.
- You will be receiving additional information from Fidelity in the next month.

Additional Resources

- [IRS Announcement on 2026 Contribution Limits](#)



FAQ: 401(k) Catch-Up Contribution Changes for 2026

What is changing in 2026?

Starting January 1, 2026, under the SECURE 2.0 Act:

- Employees age 50+ can contribute an extra \$8,000 (up from \$7,500 in 2025).
- Employees aged 60-63 can make a special "super catch-up" of \$11,250.

What is the new total contribution limit?

- Standard 401(k) limit: \$24,500
- Age 50+ catch-up: \$8,000, \$32,500 total
- Age 60-63 catch-up: \$11,250, \$35,750 total

Do these contributions have to be Roth?

- If your prior year wages exceed \$150,000 (indexed annually), all catch-up contributions must be Roth (after-tax).
- If you earn \$150,000 or less, you can choose pre-tax or Roth.

Why is this changing?

- The SECURE 2.0 Act aims to help employees boost retirement savings and benefit from tax-free growth on Roth contributions.

Do I need to take action now?

No immediate action is required. However:

- Plan for the tax impact of Roth contributions.

Where can I learn more?

- Visit <https://www.irs.gov/retirement-plans>