

Coming in 2026: Roth Catch-Up Requirement

On December 29, 2022, the Setting Every Community Up for Retirement Enhancement (SECURE) 2.0 Act was signed into law. This legislation introduces several changes aimed at improving retirement savings and financial security for Americans.

One key change is the new **Roth catch-up contribution requirement**, effective January 1, 2026.

What's Changing?

Starting in 2026, if you are age 50 or older **and** your **FICA wages** (Box 3 on your UPG 2025 Form W-2) exceed **\$150,000**, any **catch-up contributions** to your retirement plans must be made as **after-tax Roth contributions**.

If your wages are **\$150,000**, you can choose between **pre-tax** or **Roth** catch-up contributions.

Contribution Limits for 2026*

- **Standard contribution limit:** \$24,500 for 403(b) plans.
- **Catch-up contribution (age 50+):** Add up to \$8,000
- **Super catch-up (ages 60–63):** Add up to \$11,250

*Contribution limits are typically updated annually by the IRS in the fall.

What Are FICA Wages?

FICA wages refer to earnings subject to Federal Insurance Contributions Act taxes, which fund Social Security and Medicare. These wages are defined under Section 3121(a) of the Internal Revenue Code. These are reflected on Box 3 of your Form W-2. FICA wages may be different than your base salary.

If I receive multiple W-2, are FICA wages combined?

No. FICA wages are not combined if you have more than one employer. Each employer from whom you receive a W-2, will administer the SECURE requirements for their retirement plans based on their own Box 3 FICA wage.

What Does This Mean for You?

If your 2025 FICA wages exceed **\$150,000**:

- Catch-up contributions **must** be made as **Roth (after-tax)** beginning in 2026.

If your 2025 FICA wages are **\$150,000**:

- You may choose to make catch-up contributions as **pre-tax** or **Roth**.
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Do I Need to Take Any Action?

- **401(k) plan with TIAA:** No action is required — catch-up contributions will automatically convert to Roth if applicable. Conversion to ROTH will follow payroll's established order of precedence for employees with more than one impacted plan.
- **403(b) plans with Fidelity or TIAA:** No action is required — catch-up contributions will automatically convert to Roth if applicable. Conversion to ROTH will follow payroll's established order of precedence for employees with more than one impacted plan.