



ROTH CATCH-UP CONTRIBUTIONS WHAT SHOULD YOU KNOW?

The Setting Every Community Up for Retirement Enhancement (SECURE) Act 2.0 is a federal law that aims to improve retirement savings options for workers. One of its key provisions impacts how certain participants make catch-up contributions to their retirement plan.

Effective January 1, 2026, catch-up contributions for “High Wage Earners” (HWE) must be made as Roth (e.g., after-tax) contributions. You are considered a HWE if your wages (as defined in Internal Revenue Code Section 3121(a)) from the employer sponsoring the plan during the preceding calendar year exceeded \$150,000 (indexed annually). The wage threshold is based on Social Security (FICA) wages paid to you by the employer sponsoring the plan.

What wages are included?

For purposes of the mandatory provision, Social Security wages represent the income that Social Security taxes are calculated on, subject to annual cost-of-living adjustments (Box 3 on your W-2).

- If you did not earn any Social Security wages from the employer sponsoring the plan during the previous calendar year, this Roth requirement does not apply to you in the current year.
- The 2025 earnings requirement of \$150,000 is not prorated for employment which started after January 1. Therefore, the \$150,000 wage threshold is applied in full, even if you are hired mid-year.

What happens next if I'm a HWE?

In the beginning of each ADP TotalSource Retirement Savings Plan (the “Plan”) year, we will notify you via email and/or mail when you have been identified as a HWE.

- If you contribute only on a pre-tax basis, any catch-up contributions will automatically be deemed as Roth contributions once you reach the standard IRS annual contribution limit. This will continue until you reach the IRS annual catch-up contribution limit unless you choose to stop contributing to the Plan.
- If you contribute only on a Roth basis, your contributions will continue as Roth until you reach the combined standard IRS annual and catch-up contribution limits, or until you choose to stop contributing to the Plan.
- If you contribute a mix of pre-tax and Roth, the Plan will allow you to contribute any pre-tax contributions up to the maximum standard IRS annual contribution limit. All Roth contributions will apply toward the IRS annual catch-up contribution limit. If you reach the standard IRS annual contribution limit with your pre-tax dollars and the IRS annual catch-up contribution limit has not yet been met, any additional catch-up contributions will automatically be deemed as Roth contributions. This will continue until you reach the annual catch-up contribution limit unless you choose to stop contributing to the Plan.

Note: If you are a HWE turning age 60-63 during the year, you are eligible for additional “super catch-up” contributions which are also subject to the Roth requirement.

Please note: As stated above, your pre-tax contribution election may be automatically “deemed” to Roth in the payroll system to comply with this provision, regardless of the election in your Voya account. When the new year begins, the payroll system will revert to your elected contribution.

The chart below provides an example of how you may optimize your pre-tax contributions to allow more flexibility in your retirement savings strategy.

	Pre-tax	Roth
Regular Contributions \$24,500	\$18,375	\$6,125
Catch-up Contributions \$8,000	\$6,000	\$2,000
Total Contributions \$32,500	\$24,375	\$8,125



**CLICK HERE FOR
CURRENT IRS LIMITS.**

What do I need to do?

To help you prepare, here are some action steps you may need to take:

- **Review your contribution strategy:** Evaluate your current contribution strategy and consider how the new Roth catch-up requirement may impact the contributions you make to the Plan.
- **Adjust your contributions:** If necessary, adjust your pre-tax and/or Roth contribution percentages to align with the new requirement.
- **Consult a tax advisor:** Please consider consulting with an independent tax advisor to evaluate the impact both contribution types might have on your long-term savings strategy. [CLICK HERE](#) for more information on Roth contributions.



Let's take a look at an example. Sam is 55 years old and wants to maximize their contributions to the Plan each year.

- In 2025, they earned \$165,000 in Social Security wages and contributed \$31,000 to the Plan (\$23,500 in standard annual IRS contributions and \$7,500 in catch-up contributions). Under the current contribution law, Sam was able to make all contributions on a pre-tax basis.
- Since Sam made more than \$150,000 in Social Security wages in 2025, the new SECURE Act 2.0 Roth catch-up provision for HWEs will apply in 2026.
- In 2026 Sam will be able to contribute on a pre-tax basis up to the standard annual IRS contribution limit and any catch-up contributions will be automatically treated as Roth contributions until the catch-up limit is met.



Questions?

Call the Plan Service Center at **(855) 646-7549** and press 0 to speak to a Customer Service Associate. They're available from 8:00 a.m. to 8:00 p.m. Eastern Time, Monday through Friday (excluding New York Stock Exchange holidays).