2026 Roth Catch-Up Contribution Rule:

What You Need To Know

Are you over age 50 and earning more than $145,000 per year? Get up to speed on what the new Roth catch-up rule may mean for you.

Starting in 2026, if you earned over $145,000 in the prior year, your age 50 or age 60 to 63 catch-up contributions to your employer-sponsored retirement plan must be Roth contributions, which are made with after-tax dollars.

What are the benefits of making Roth contributions to your employer-sponsored retirement plan?

- **Tax-Free Withdrawals:** Roth assets can be withdrawn tax-free in retirement if at least five years have passed since Jan. 1 of the year of your first Roth contribution, and you are at least 59 ½ years old.
- **Higher Contribution Limits Than Roth IRAs:** You can save more after-tax dollars compared to Roth IRAs.
- **Eligibility at All Income Levels:** Unlike Roth IRAs, your ability to make Roth contributions to a 457(b) or 401(k) plan does not depend on your income.
- **Tax Planning Flexibility:** Having both pre-tax and Roth assets available as sources of retirement income creates additional flexibility when managing tax liabilities during retirement.

Does everyone need to make Roth contributions?

No. The following groups of employees are eligible, but not required, to make Roth contributions to an employer-sponsored 457(b) or 401(k) plan:

- Employees under age 50.
- Employees over age 50 with annual income under the $145,000 threshold (Social Security wages shown in Box 3 on your W-2).
- Employees who do not contribute to Social Security.
- Employees who do not contribute above the normal contribution limit in effect for the year, for example, $23,500 in 2025.

Did You Know?

You can start making Roth contributions to your employer-sponsored 457(b) or 401(k) plan at any time, regardless of your age or income. Log in to your account to review your retirement plan options and get started at **www.missionsq.org/login**.

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195400-0425-W3451