IMPORTANT UPDATE TO CATCH-UP CONTRIBUTIONS

STARTING IN 2026

Age	Catch-Up Limit*
50 - 59	$8,000
60 - 63	$11,250
64+	$8,000

If you're 50 or older, you can put extra money into your retirement plan each year. Those between ages 60 and 63 are eligible to contribute even more. This is known as a super catch-up contribution.

Starting in 2026, there's a new rule for higher earners:

What's Changing?

If you made more than $150,000 in wages from your employer in the previous year, your catch-up contributions must go into a Roth account. That means:

- You'll pay taxes on the money now.
- But your withdrawals in retirement will be tax-free.

Key Details:

- The $150,000 threshold is based on FICA wages, not the traditional "highly compensated employee" (HCE) definition.
- This rule applies to employer-sponsored plans like 401(k), 403(b), and 457(b).

Who *IS* Affected?

- You're 50 or older.
- You're in a 401(k), 403(b), or 457(b) plan.
- You earned more than $150,000 in the previous year from the employer offering the plan.

Who is *NOT* Affected?

- If you earned $150,000 or less, you can still choose between pre-tax or Roth for your catch-up contributions.
- If you're self-employed and don't get wages reported for Social Security (like partners or sole proprietors), this rule doesn't apply to you.

Request a 1:1 Meeting Here

www.oswaldfinancial.com/MoneyCoach

Connect with us today 833-224-5660 | OswaldFinancial.com | info@oswaldfinancial.com

oswald financial

*Qualifying individuals may use only the highest catch-up limit (e.g., a 401(k) participant eligible for the "super" catch-up is limited to $11,250).