

SECURE 2.0 Act: Key Provisions & Employer Action Steps

Mandatory Roth Catch-Up Contributions (Provision 603)

- Who's affected: Employees earning over \$145,000 (indexed) in Social Security wages in the prior year.
- What's changing: Starting in 2026, catch-up contributions for these high earners must be made on a Roth (after-tax) basis.
- Employer tasks:
 - Amend plan documents to permit Roth contributions.
 - Update payroll systems to track compensation and process Roth catch-up contributions.
 - Communicate changes to affected employees.
 - Coordinate with plan administrators and vendors for system updates.
 - Monitor IRS/DOL guidance for further implementation details.

Optional Higher Catch-Up Contributions for Ages 60–63

- Who's affected: Employees aged 60–63.
- What's changing: Eligible participants can make higher annual catch-up contributions than the standard limit. Increases in catch up contributions for individuals age 60-63 to the greater of (i) \$10,000 or (ii) 150% of the regular age-based catch up, indexed for inflation.
- Employer tasks:
 - Amend plan documents to allow higher catch-up contributions.
 - Update payroll/recordkeeping to track ages and apply correct limits.
 - Communicate new limits and eligibility to employees.
 - Coordinate with administrators and vendors for compliance.
 - Monitor regulatory guidance for reporting requirements.

Optional Matching Contributions on Qualified Student Loan Payments

- Who's affected: Employees making qualified student loan payments.
- What's changing: Employers may match student loan payments with retirement plan contributions, as if those payments were elective deferrals.
- Employer tasks:
 - Amend plan documents to allow matching on student loan payments.
 - Establish procedures to verify and track payments.
 - Update payroll/recordkeeping systems.
 - Communicate the benefit to employees, especially those with student debt.
 - Coordinate with administrators and vendors for implementation.
 - Monitor regulatory guidance for reporting and operations.

Optional Roth Treatment of Employer Contributions

- Who's affected: All plan participants.
- What's changing: Employers may allow employees to elect Roth treatment for employer matching or nonelective contributions.
- Employer tasks:
 - Amend plan documents to permit Roth employer contributions.
 - Update payroll/recordkeeping for Roth tracking and reporting.
 - Establish employee election procedures and communicate implications.
 - Ensure investment providers comply with IRS reporting.
 - Coordinate with administrators and vendors for operational accuracy.
 - Monitor regulatory guidance for further details.



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