Section 109.
(last updated 4/4/2023)

Title: Higher catch-up limit to apply at age 60, 61, 62 and 63

Effective Date: Effective for taxable years beginning after December 31, 2024.

Mandatory or Optional: Mandatory (if offered)

Plans Affected: 401(k); 403(b); 457(b)

Previous Law: Currently, individuals age 50 and over are allowed to make catch-up contributions to 401(k), 403(b), governmental 457(b), and SIMPLE plans, and the annual catch-up contribution limits are generally indexed for inflation. In 2022, the maximum catch-up contribution for non-SIMPLE plans is $6,500, and $3,000 for SIMPLEs.

SECURE 2.0 Law: Non-SIMPLE plans: Increases the limit on catch-up contributions for individuals age 60-63 to the greater of (i) $10,000 or (ii) 150% of the regular catch-up amount for 2024, indexed for inflation

Guidance and/or Correction Bills:

- None

Question & Answer *(last updated 4/4/2023)*
All answers marked with an asterisk (*) are pending verification from the IRS.

Is the 60-63 catch-up provision subject to the Roth requirements from Section 603?

- *Yes*.

Is the 60-63 catch-up provision optional for the plan to allow if they choose to offer 50+ catch-up contributions.

- *Unclear. We are seeking further guidance to confirm whether offering 50+ catch-up automatically raises the contribution limits for those reaching age 60.**

If my plan offers catch-up contributions, and has Roth, do I need to do anything to allow the 60-63 catch limit other than update payroll?

- *Maybe. Depending upon the wording in the current plan document, an amendment may be necessary. Each plan document provider will determine the specific amendments required by the Secure 2.0 Act.*

What happens to the catch-up contribution limit after the participant turns 64?

- *It reverts to the age 50+ catch-up limit.*