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Final Regulations Issued on New Roth Catch-Up Rule



The Department of the Treasury and the Internal Revenue Service issued on September 15, 2025 [final regulations](#) addressing

several SECURE 2.0 Act provisions relating to catch-up contributions. (Catch-up contributions are additional contributions under a 401(k) or similar workplace retirement plan for employees who are age 50 or older.) The final regulations include final rules related to a SECURE 2.0 Act provision requiring that catch-up contributions made by certain higher-income participants be designated as after-tax Roth contributions.

The regulations provide guidance for plan administrators to implement and comply with the new Roth catch-up rule and reflect comments received in response to the proposed regulations issued in January.

The final regulations also provide guidance relating to increased catch-up contribution limits under the SECURE 2.0 Act for certain retirement plan participants, in particular employees between the ages of 60-63 and employees in newly established SIMPLE plans.

Final regulations differ from the proposed regulations

While the [final regulations](#) generally follow the [proposed regulations](#), changes were made in response to comments received on the proposed regulations. For example, the final regulations permit a plan administrator to aggregate wages received by a participant in the prior year from certain separate common law employers in determining whether the participant is subject to the Roth catch-up requirement.

In addition, the final regulations include changes to certain provisions in the proposed regulations, including those relating to:

- correction of a failure to comply with the Roth catch-up

requirement,

- implementation of a deemed Roth election, and
- plans that cover participants in Puerto Rico.

Final regulations generally apply in 2027

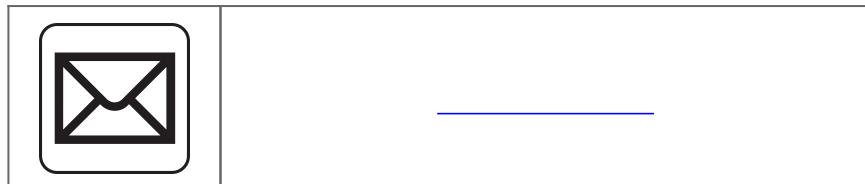
The provisions in the final regulations relating to the Roth catch-up requirement generally apply to contributions in taxable years beginning after Dec. 31, 2026. However, the final regulations provide a later applicability date for certain governmental plans and plans maintained under a collective bargaining agreement. The final regulations also permit plans to implement the Roth catch-up requirement for taxable years beginning before 2027 using a reasonable, good faith interpretation of statutory provisions. The final regulations do not extend or modify the administrative transition period provided under [Notice 2023-62](#), which generally ends on Dec. 31, 2025.

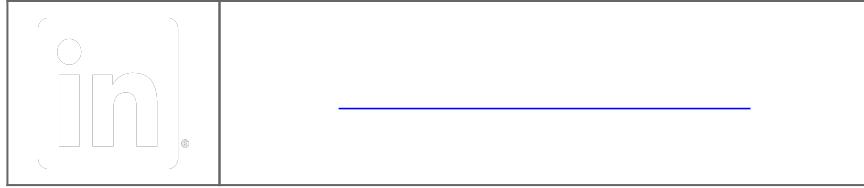


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Torrillo & Associates, LLC specializes in employee benefit plan audits including 401k audits, 403b audits, pension plan audits, and other retirement plan audits. We are licensed in 10 states including Pennsylvania, New Jersey, Delaware, New York and Florida. We are also able to practice in additional states that have passed firm mobility.

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