

NEW RULES FOR AGE-BASED CATCH-UP CONTRIBUTIONS

USF's 403(b) Voluntary Retirement Plan allows active employees to make pre-tax and/or Roth after-tax contributions up to the annual maximum amount permitted by the Internal Revenue Service (IRS). The annual maximum employee contribution limit for 2026 will be \$24,500.

In addition, the 403(b) Plan permits employees that have attained age 50 or older to contribute an additional age-based catch-up contribution above the annual maximum contribution limit. Age-based catch-up contributions provide for an additional savings opportunity intended to help employees pursue their retirement goals.

Change to age-based catch-up contribution rules

Congress passed SECURE 2.0 to help Americans better plan and save for their financial future. As part of SECURE 2.0, starting in 2026, age-based catch-up contributions must be made as Roth contributions if your FICA wages in 2025 exceed \$145,000 (this amount is subject to annual indexing).

A Roth contribution means that taxes are taken out of your contribution before it is remitted to TIAA. Once you have made a Roth contribution to the 403(b) Plan, your Roth account has been open for five years, and you've met certain plan distribution requirements, any distribution of Roth amounts, including the earnings thereon, will be tax-free.

If your 2025 FICA wages are \$145,000 or less, you can continue making catch-up contributions on a pre-tax and/or Roth basis.

You can find your 2025 FICA wages on your Form W-2, Box 3 (Social Security Wages). This form will be available in USFWorks by January 31, 2026.

Here's the age-based catch-up contribution limits for employees ages 50 and older in 2026:

The standard maximum employee contribution limit for 2026 is \$24,500. The age-based catch-up contribution limits are as follows:

Employee age	Annual age-based catch-up contribution limit ¹	Contribution type	
		Prior year FICA wages greater than \$145,000	Prior year FICA wages less than or equal to \$145,000
50-59	\$8,000	Roth contribution	Pretax and/or Roth after-tax contributions,
60-63	\$11,500	Roth contribution	Pretax and/or Roth after-tax contributions
64 or older	\$8,000	Roth contribution	Pretax and/or Roth after-tax contributions

1. Contributions limits are subject to change for 2026 based on annual indexing.

What the change to age-based contributions can mean for you

If you have chosen to make age-based catch-up contributions and your FICA wages in 2025 was more than \$145,000, the plan will deem your direction to be to ***irrevocably designate*** any age-based catch-up contributions as Roth contributions and automatically remit any age-based catch-up contributions you make to the 403(b) Plan as Roth. This is known as the ***deemed Roth catch-up rule***.

If you do not wish to make age-based Roth catch-up contributions you may choose to:

- Make a new salary deferral election at TIAA, which will not result in contributions over the annual maximum contribution limit.
- Monitor and stop deferrals once your desired annual contribution amount is achieved. You can view your year-to-date retirement contributions anytime during year as follows:
 - Review your pay stubs in USFWorks
 - Log in to your TIAA account

How you can review and manage your contributions

- Log in to your TIAA account by following the instructions outlined in the user guide on how to [Change your 403\(b\) contribution](#)
- Follow the prompts to adjust your contributions

If you would like to learn more about Roth after-tax contributions, please review the [403\(b\) Voluntary Plan Information](#).

Make sure to carefully consider your decisions about your 403(b) Plan contributions and how this new rule may affect you. You are encouraged to consult with your tax professional to determine what is appropriate for you.

If you are still not certain about the new rules for age-based catch-up contributions and how it impacts you, feel free to reach out to your Retirement Plan Manager, [Ron Chin](#), to schedule an appointment.