NEW RULES FOR AGE-BASED CATCH-UP CONTRIBUTIONS

USF's 403(b) Voluntary Retirement Plan (403(b) 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 is projected to 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.

Change to age-based catch-up contribution rules

In 2022, Congress passed SECURE 2.0 to help Americans better prepare for retirement. Beginning in 2026, if your FICA wages for 2025 exceed $145,000 (adjusted annually for inflation), any age-based catch-up contributions to the 403(b) Plan must be made as Roth contributions. Roth contributions are made with after-tax dollars.

What this means for you

- If your 2025 W-2 FICA earnings from USF is under $145,000: No change
- If your 2025 W-2 FICA earnings from USF is $145,000 or more: You may continue to contribute pre-tax dollars to the University's 403(b) Plan up to the IRS annual maximum (the same as all employees). However, age 50 catch-up contributions and special age 60–63 "super" catch-up contributions must be made with after-tax Roth dollars.

To check your 2025 FICA wages, refer to **Box 3 (Social Security Wages)** on your 2025 Form W-2, available in **USFWorks by January 31, 2026**.

We expect that no action will be required on your part – catch-up contributions will automatically shift from pre-tax to Roth for those whose FICA earnings are $145,000 or more.

You can start, stop or change your 403(b) contributions any time.

How you can 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

You can find the projected contribution limits for 2026 by clicking here.

If you are still not certain about these new rules and how it impacts you, feel free to reach out to your Retirement Plan Manager, Ron Chin, to schedule an appointment.