

Participant FAQs:

Roth catch-up contribution changes



What is the new Roth catch-up mandate?

Beginning in 2026, you must make age-based catch-up contributions as Roth (after-tax) contributions IF you meet the following criteria:

- Are age 50 or older
- Plan to make age 50 catch-up contributions
- Earned more than \$150,000 in W-2 FICA wages¹ in 2025 from this employer

What are Roth catch-up contributions?

A catch-up contribution is an extra amount you can contribute to your retirement plan once you reach age 50 or older. These contributions allow you to save more than the standard annual limit, helping you boost your retirement savings as you approach retirement. Catch-up contributions can be made to pretax or Roth after-tax accounts (depending on your plan's options).

Unlike traditional pretax contributions, with a Roth contribution you pay the taxes upfront.

Your qualified withdrawals in retirement are tax free, including earnings, provided:

- You've held the account for at least 5 years
- You're at least 59½ years old

Scan the QR code to view this year's IRS contribution limits.



What happens if I don't update my deferral elections?

If your plan allows Roth contributions, your catch-up contributions may be automatically treated as Roth even if you originally elected pretax. This automatic treatment is called a "deemed Roth election."

- If your employer does not correctly deem the contributions at payroll, your catch-up contributions and their associated earnings may be corrected through an In-Plan Roth Conversion; these amounts will be reported as taxable income, and you'll receive a Form 1099-R
- If your plan does not deem contributions at all, your catch-up contributions may be treated as excess deferrals and returned to you
- If your plan does not support Roth contributions, you will not be able to make catch-up contributions
- Important to know:
 - If you mistakenly make pretax catch-up contributions and a Roth correction is required later, all associated earnings will be subject to taxation
 - However, if you elect Roth catch-up contributions during the calendar year, your earnings can grow tax free, provided you meet the qualified distribution rules

How do I calculate the correct percentage for my catch-up deferral?

Use this formula:

- Deferral catch-up % = (annual catch-up goal ÷ annual compensation) × 100

Example: If you earn \$160,000 and want to contribute the full catch-up amount of \$8,000:

- Deferral % = (8,000 ÷ 160,000) × 100 = 5%
- You would set your Roth catch-up deferral to 5% of your pay

Does it matter when I make Roth contributions during the year?

No, the timing of your Roth catch-up contributions within the year does not matter. As long as your contributions exceed the standard 402(g) elective deferral limit and you meet the eligibility criteria (age 50+ and prior-year wages over \$150,000), those contributions will count toward satisfying the Roth catch-up mandate.

402(g) limit (\$24,500 for 2026)		Catch-up limits Up to \$8,000 for age 50+ and up to \$11,250 for 60 to 63
Pretax contributions	Roth contributions	Roth contributions
Total employee deferrals for the year		
All Roth contributions count toward the Roth catch-up requirement, regardless of when made		

Catch-up contributions must be made as Roth if FICA wages exceeded \$150,000 in prior year

Do I need to take action now?

Not immediately, but we recommend taking the following actions:

- Review your current deferral elections
- Watch for future communications from HR or your plan provider
- Review Box 3 in your W-2 form
- Prepare to make updates

Who can I contact with questions?

Please reach out to your HR representative or plan administrator for assistance.

¹ FICA wages are earnings subject to Social Security taxes, including salary, tips, bonuses, commissions and certain benefits.

You can find this total in Box 3 of your W-2 form.

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