

# ERISA Insights



January 10, 2025

## IRS Releases Guidance for Catch-Up Contribution Provisions Under SECURE 2.0

The Internal Revenue Service (IRS) has released [proposed catch-up regulations](#) that apply to certain retirement plans as provided by Sections 109, 117, and 603 of the SECURE 2.0 Act of 2022.

### Background

Beginning in 2025, Section 109 increases the maximum catch-up contribution for plans (other than SIMPLE plans) to the greater of \$10,000 or 150 percent of the regular catch-up contribution for 2024 (\$11,250) for individuals age 60, 61, 62, and 63. Section 117 addresses the increased catch-up contribution amounts for SIMPLE plans. The maximum catch-up contribution amount for SIMPLE plans will be increased to the greater of \$5,000 or 150 percent of the regular catch-up amount for 2025 (\$5,250) for individuals age 60, 61, 62, and 63. These increased catch-up contribution amounts will be indexed for inflation after December 31, 2025.

Section 603 requires that all catch-up contributions for 401(k), 403(b), or governmental 457(b) plan participants whose wages for the prior year exceed \$145,000 (indexed beginning in 2025) must be made on a Roth basis. This provision does not apply to the special catch-up contributions permitted under 403(b) and governmental 457(b) plans. Although this provision technically became effective January 1, 2024, the IRS issued [Notice 2023-62](#), which delayed the effective date to January 1, 2026.

### Effective Date

This guidance will generally apply to contributions made in taxable years that begin more than six months after the date final regulations are effective. But employers may apply the proposed guidance to contributions made in any taxable year beginning after December 31, 2025.

Comments are due within 60 days of publication of the proposed rule in the *Federal Register*.

Ascensus will continue to follow any new guidance as it is released. Visit [ascensus.com](https://ascensus.com) for the latest developments.

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