



# Electronic Alert

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## IRS Issues Secure 2.0 Catch-Up Contribution Provisions Delay

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Secure 2.0 placed certain limits on catch-up contributions. In particular, where a plan offers catch-up contributions, Secure 2.0 included a mandate requiring plans to only allow catch-up contributions for those earning \$145,000 (as adjusted) in the prior year if the contributions were made on a Roth basis. Many plans and their providers have been discussing implementation of those provisions, and some plans have already elected to shift catch-up contributions to Roth for some or all employees beginning in 2024.

Today, August 25, 2023, the IRS announced a two-year administrative delay to the implementation of this provision until January 1, 2026.

Plans that have already elected to transition catch-up contributions to Roth contributions can elect to rescind that election or may begin implementation. The IRS additionally provided a few clarification points on this provision and signaled its intention to provide more guidance. Plans may wish to pause implementation until receiving this updated guidance.

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