

**Section 109.**

(last updated 4/4/2023)

**Title:** Higher catch-up limit to apply at age 60, 61, 62 and 63

**Effective Date:** Effective for taxable years beginning after December 31, 2024.

**Mandatory or Optional:** Optional

**Plans Affected:** 401(k); 403(b); 457(b)

**Previous Law:** Currently, individuals age 50 and over are allowed to make catch-up contributions to 401(k), 403(b), governmental 457(b), and SIMPLE plans, and the annual catch-up contribution limits are generally indexed for inflation. In 2022, the maximum catch-up contribution for non-SIMPLE plans is \$6,500, and \$3,000 for SIMPLEs.

**SECURE 2.0 Law:** Non-SIMPLE plans: Increases the limit on catch-up contributions for individuals age 60-63 to the greater of (i) \$10,000 or (ii) 150% of the regular catch-up amount for 2024, indexed for inflation

**Guidance and/or Correction Bills:**

- None

**Question & Answer** (last updated 4/4/2023)

*All answers marked with an asterisk (\*) are pending verification from the IRS.*

Is the 60-63 catch-up provision subject to the Roth requirements from Section 603?

- Yes.

Is the 60-63 catch-up provision optional for the plan to allow if they choose to offer 50+ catch-up contributions.

- *Unclear. We are seeking further guidance to confirm whether offering 50+ catch-up automatically raises the contribution limits for those reaching age 60.\**

If my plan offers catch-up contributions, and has Roth, do I need to do anything to allow the 60-63 catch limit other than update payroll?

- *Maybe. Depending upon the wording in the current plan document, an amendment may be necessary. Each plan document provider will determine the specific amendments required by the Secure 2.0 Act.*

What happens to the catch-up contribution limit after the participant turns 64?

- *It reverts to the age 50+ catch-up limit.*