

The SECURE 2.0 Act of 2022 introduced more than 90 changes to retirement plan rules. This reference guide highlights the provisions most relevant to plan sponsors: what is already in effect and what is changing in 2026. Please contact us with any questions.

2025 vs. 2026 Contribution Limits at a Glance

Source: IRS Notice 2024-80 (2025 limits) | IRS Notice 2025-82 (2026 limits)

Limit	2025	2026	Change
Employee Deferral — 401(k) / 403(b) / 457	\$23,500	\$24,500	▲ +\$1,000
Catch-Up Contributions (Age 50+)	\$7,500	\$8,000	▲ +\$500
"Super" Catch-Up (Ages 60–63) — SECURE 2.0	\$11,250	\$11,250	No Change
Max Total Employee Contribution (Age 50+)	\$31,000	\$32,500	▲ +\$1,500
Max Total Employee Contribution (Ages 60–63)	\$34,750	\$35,750	▲ +\$1,000
Max Annual Additions (Employer + Employee)	\$70,000	\$72,000	▲ +\$2,000
Annual Compensation Limit	\$350,000	\$360,000	▲ +\$10,000
Highly Compensated Employee (HCE) Threshold	\$160,000	\$160,000	No Change

Note: The mandatory Roth catch-up wage threshold for high earners is \$150,000 (2025 FICA wages). Participants earning above this amount must make catch-up contributions on a Roth basis beginning in 2026.

SECURE 2.0 — Provisions In Effect for 2025

Mandatory provisions apply to all eligible plans unless otherwise noted. Optional provisions are at employer discretion.

Provision	What It Means for Plan Sponsors	Effective Date	Mandatory / Optional
Mandatory Auto-Enrollment (\$101)	New 401(k) and 403(b) plans established after 12/29/2022 must automatically enroll employees at 3%–10% and auto-escalate 1%/year up to at least 10% (max 15%). Exceptions: church plans, governmental plans, employers with ≤10 employees, businesses in operation ≤3 years.	Plan years beginning after 12/31/2024	MANDATORY (new plans only)
"Super" Catch-Up Contributions (\$109)	Participants ages 60–63 may contribute the greater of \$10,000 or 150% of the standard catch-up limit. 2025 & 2026 amount: \$11,250. Standard catch-up (age 50+) remains \$7,500 (2025) / \$8,000 (2026) for all other eligible participants.	Taxable years beginning after 12/31/2024	OPTIONAL (plan must allow)
Long-Term Part-Time (LTPT) Worker Eligibility (\$125)	Employees with 500+ hours in each of 2 consecutive years (reduced from 3) must be allowed to participate in 401(k) plans. Now extended to ERISA 403(b) plans. Action: Hours tracking for 2025 eligibility began with 2023 plan years — verify your systems are updated.	Plan years beginning after 12/31/2024	MANDATORY
Increased Force-Out Threshold (\$304)	Plans may involuntarily distribute vested balances of terminated participants without consent up to \$7,000 (increased from \$5,000). Balances \$1,000–\$7,000 must be rolled into an IRA unless participant elects otherwise.	Distributions after 12/31/2023	OPTIONAL

Provision	What It Means for Plan Sponsors	Effective Date	Mandatory / Optional
No RMDs from Roth 401(k) Accounts (\$325)	Pre-death required minimum distributions (RMDs) are eliminated from Roth accounts in employer plans. Aligns 401(k) Roth treatment with Roth IRA rules. Plan documents and administration should be updated to reflect this change.	Taxable years beginning after 12/31/2023	MANDATORY
Emergency Savings Accounts — PLESAs (\$127)	Employers may offer pension-linked emergency savings accounts (PLESAs) to non-highly compensated employees . Contributions are Roth-treated; capped at \$2,500 (indexed). Auto-enrollment and employer match permitted.	Plan years beginning after 12/31/2023	OPTIONAL
Student Loan Payment Matching (\$110)	Employers may make matching contributions to 401(k), 403(b), governmental 457(b), or SIMPLE IRA plans based on an employee's qualified student loan payments . Employer may rely on employee self-certification of payments made.	Plan years beginning after 12/31/2023	OPTIONAL

SECURE 2.0 — Key Provisions Effective in 2026

Action required — plan sponsors should be reviewing these items NOW.

Provision	What It Means for Plan Sponsors	Effective Date	Mandatory / Optional
Mandatory Roth Catch-Up for High Earners (\$603)	Participants age 50+ who earned more than \$150,000 in FICA wages in the prior year (2025 W-2, Box 3) MUST make catch-up contributions on a Roth (after-tax) basis. Critical: If your plan does not currently offer Roth, affected employees cannot make catch-up contributions at all. Good-faith compliance required in 2026; full compliance required by 2027. Coordinate with payroll and recordkeeper immediately.	Taxable years beginning after 12/31/2025	MANDATORY
Annual Paper Benefit Statements (\$338)	Defined contribution plans must provide at least one paper benefit statement per year — unless the participant affirmatively elects electronic-only delivery. Defined benefit plans: one paper statement every 3 years. Action: Confirm opt-out elections are properly documented before January 1, 2026.	Plan years beginning after 12/31/2025	MANDATORY
Plan Amendment Deadline — All SECURE 2.0 Provisions	All plan documents must be formally amended to incorporate SECURE 2.0 provisions by December 31, 2026 (calendar year plans). Plans must have been operating in compliance since each provision's effective date. Extended deadlines: Collectively bargained plans: 12/31/2028 Governmental plans: 12/31/2029. Action: Contact your TPA or recordkeeper to confirm amendments are in process.	December 31, 2026 (calendar year plans)	MANDATORY

⚠ Action Items for Plan Sponsors — Do These Now

- **Roth catch-up:** Identify participants earning >\$150K in 2025 FICA wages. Confirm your plan offers Roth contributions. Coordinate with payroll provider and recordkeeper.
- **Paper statements:** Review your current delivery election process. Ensure affirmative electronic opt-outs are on file for participants who prefer paperless.
- **Plan amendments:** Contact your TPA or plan document provider. Most will deliver SECURE 2.0 amendments in the second half of 2026 — confirm your timeline.
- **LTPT workers:** Verify eligibility tracking systems were updated for the 2-year rule. Hours tracking for 2025 eligibility runs back to 2023 plan years.
- **Auto-enrollment:** If your plan was established after 12/29/2022, confirm mandatory auto-enrollment and auto-escalation features are active.

Other Emerging Issues for Plan Sponsors

Topic	Key Points
ERISA Fee Litigation Surge	Excessive fee class action filings increased 35% in 2024, with record settlements totaling \$203.3 million. Common claims include: investment underperformance, failure to use lower-cost share classes, overpayment for recordkeeping/admin services, and misuse of forfeited funds. The DOL's 2025 regulatory agenda targets new fiduciary rulemaking for May 2026. Best practice: Document your fee benchmarking process annually.
VFCP Self-Correction (Effective March 2025)	The DOL's Voluntary Fiduciary Correction Program (VFCP) now includes a self-correction option for: (1) late participant contributions and loan repayments, and (2) eligible inadvertent participant loan failures. Self-correction allows plan officials to correct errors and avoid DOL enforcement and civil penalties. Lost earnings must still be calculated. Note: Delinquent participant contributions must still be reported on Form 5500.
Form 5500 Late Filing Penalties	IRS penalty: \$250/day, up to \$250,000 per plan year (increased from \$25/day max \$15,000). DOL penalty: Up to \$2,739/day with no maximum. The DOL's Delinquent Filer Voluntary Compliance Program (DFVCP) may reduce penalties. Do not wait until the July 31 / October 15 deadline — file early.
Retirement Savings Lost & Found (§303)	The DOL is required to create a national online searchable database for lost/unclaimed retirement plan balances. Plan administrators must provide annual reporting on disposition of balances for vested terminated participants. <i>Watch for DOL guidance on reporting requirements and compliance timelines.</i>

Questions? Contact Tronconi Segarra & Associates

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Employee Benefit Plan Update

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