



ED SLOTT'S IRA ADVISOR

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Tax & Estate Planning for Your Retirement Savings

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No Choice in the Matter: IRS Issues Guidance on Mandatory Roth Catch-Ups

When Congress passed the SECURE 2.0 Act in 2022, it added several new Roth savings provisions and did not hide the fact that these new rules were intended to pay for some of the other SECURE 2.0 provisions. These new Roth features include one that is mandatory: The rule requiring that catch-up contributions by higher-paid employees must be Roth contributions. This is the first time that Congress has required any retirement account contribution to be made on a Roth, rather than a pre-tax, basis. In [proposed regulations](#) issued on January 10, 2025, the IRS addressed a number of unanswered questions about the mandatory Roth catch-up provision.

Congress made the Roth catch-up requirement effective for plan years beginning after December 31, 2023 (January 1, 2024, for most plans). However, not long after the enactment of SECURE 2.0, a flood of complaints was lodged with the IRS by 401(k) recordkeepers and employer plan lobbyists arguing that it would be impossible to have the new rule in place by that date.

In [Notice 2023-62](#), issued August 25, 2023, the IRS responded by delaying the effective date until the first plan year beginning after December 31, 2025 (January 1, 2026 for most plans).

Perhaps mindful of the fact that only Congress — *and not the IRS* — has the authority to amend legislation, the IRS was careful not to call it a "delay," instead referring to the years 2024 and 2025 as "an administrative transition period." Regardless of how it is characterized, the IRS action means that during 2025, plans can continue to accept pre-tax catch-up contributions from all employees.

While continuing to work on mandatory Roth catch-up regulations, the IRS included in Notice 2023-62 an unofficial preview of how those regulations would address the issues that were unclear in the SECURE 2.0 legislation. As 2024 dragged on without regulations, another series of complaints was raised by 401(k) administrators that there would not be sufficient time to implement the Roth catch-up requirement. Finally, on January 10, 2025, the IRS issued the proposed regulations. Although the regulations are not technically effective until after final regulations are issued, plans are allowed to rely on them in the interim.

Which Plans and Catch-Ups Are Affected?

The mandatory catch-up rule applies to employees in 401(k), 403(b) and governmental 457(b) plans. The IRS regulations confirm that it does

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