Updated IRS requirements to impact some CU retirement plan participants [1]

November 13, 2025 by Employee Services [2]

The SECURE 2.0 Act [3] introduces several changes to employer-sponsored retirement plans and the rules governing employee contributions

Provision 603 of the Act introduces a significant change for employees age 50 and older who earned more than $150,000 in FICA wages in the prior tax year. Beginning Jan. 1, 2026, these employees will be required to make **Roth (after-tax) catch-up contributions**.

This change will affect the following voluntary retirement plans:

- CU 403(b)
- PERA 401(k)
- PERA 457

This regulation only applies to catch-up contributions (the additional amount employees age 50+ can contribute beyond the standard limit). Regular contributions, up to the annual plan limits, remain unchanged and can still be made on either a pre-tax or Roth basis.

What this means for some employees age 50 and older

Starting Jan. 1, 2026, if you earned more than $150,000 in FICA-eligible wages during the 2025 calendar year, age-based catch-up contributions must be made as Roth (after-tax) contributions.

Roth contributions are made with after-tax dollars, meaning taxes are taken out before the money goes into your plan. When you withdraw funds later — after the account has been open for five years and you meet plan distribution requirements — both your contributions and earnings will be tax-free.

If your salary is $150,000 or less, you can still choose Roth for catch-up contributions, but it is not required.

Learn more and act

Employee Services encourage employees to examine their 2026 contribution elections and confirm that any catch-up contributions comply with Provision 603.

Please note the university's payroll systems will not have the capability to automatically track individual contribution limits or determine eligibility under the new regulation when it takes effect on January 1, 2026. Therefore, it is important that employees actively monitor their own contributions to ensure compliance. **The university cannot assume responsibility for contributions that exceed the limits established by this provision**.

Any employees who would like to change their contribution amount or type can visit the Employee Services website [4] for step-by-step instructions on how to update your voluntary retirement plan contributions.

If you have questions, please contact Employee Services at curetirementplans@cu.edu [5] or reach out to a benefits professional at benefits@cu.edu [6] or 303-860-4200 (option 3).

All employees are encouraged to consult with a tax professional to understand what is appropriate for their circumstances. All plan participants, including those enrolled in PERA-administered plans, are eligible to schedule a no-cost one-on-one consultation with TIAA [7].

Employee Services and TIAA will host a webinar at 1 p.m. MT Dec. 5 [8] to help employees age 50 or older earning more than $150,000 in FICA wages in 2025 understand and prepare for this change.

This webinar will cover:

- Details on SECURE 2.0 Provision 603.
- How employees can change their contributions.
- Demonstration of updated Salary Reduction Agreements (for all voluntary plans).
- How to access 1:1 consultation sessions with TIAA.

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