

News

IRS Grants Administrative Delay for Mandatory Roth Catch-Ups

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Beginning January 1, 2024, plan sponsors were going to have to provide mandatory Roth catch-up contributions for certain employees. This mandatory Rothification of catch-up contributions comes by way of Section 603 of Division T of the Consolidated Appropriations Act, 2023, Pub. L. 117-328, 136 Stat. 4459 (2022) (SECURE 2.0 Act). However, without any Internal Revenue Service (IRS) guidance, many plan sponsors, recordkeepers, and payroll providers were struggling to understand the scope and proper implementation of this new provision (and even whether catch-up contributions were going to be permitted after 2023 in light of a glitch in the drafting of the legislative language implementing the change, which removed the clause permitting catch-up contributions to be tax-deferred. [IRC § 402(g)(1)(C), deleted pursuant to SECURE 2.0 § 603(b)] Thankfully, the IRS heard the call for help, and clarified the following three important points in Notice 2023-62:

1. Catch-up contributions will continue to be permissible after 2023;
2. Catch-up contributions can continue to be pre-tax contribution for 2024 and 2025; and
3. Pending guidance will clarify a number of open issues that will facilitate compliance with the SECURE 2.0 change.

In this *Journal of Pension Benefits* article, “IRS Grants Administrative Delay for Mandatory Roth Catch-Ups,” Groom’s [Kimberly Boberg](#) and [Elizabeth Thomas Dold](#) cover the Internal Revenue Service’s (“IRS’s”) clarification of the three important points in Notice 2023-62 regarding Roth catch-up contributions.

To read the article, [click here](#).