



RETIREMENT SERVICES DIVISION MEMORANDUM 2026-02

March 9, 2026

ATTENTION: Human Resource and Payroll Officers

SUBJECT: Core-CT Update Related to the SECURE 2.0 Section 603 Roth Catch-Up Requirement for 457 and 403(b) Plans

I. Introduction

This memorandum serves as a follow-up to Retirement Services Division Memorandum 2026-01, which addressed Roth catch-up contribution requirements.

Effective January 1, 2026, employees whose prior-year FICA wages exceed \$150,000 (as indexed for inflation) are required to make age-based catch-up contributions to 457 and 403(b) plans on a Roth (after-tax) basis.

- For 2026, the standard annual limit is \$24,500.
- Employees who will attain age 50 or above by December 31, 2026 may contribute an additional \$8,000 in catch-up contributions.
- Employees who will attain ages 60, 61, 62, or 63 by December 31, 2026 may contribute an additional \$11,250 in catch-up contributions. Please note employees who are eligible for this increased limit are not also eligible for the age 50+ catch-up limit in the same year.

The Office of the State Comptroller, in coordination with Empower, has notified impacted active employees that they are subject to this requirement for the 2026 plan year.

II. Core-CT Update and Functionality

Effective for the March 20, 2026 paycheck, Core-CT will automatically administer the Roth catch-up requirement. When an impacted employee's combined pre-tax and Roth contributions reach the standard annual limit, any additional pre-tax contributions will be treated as a "deemed Roth election" and automatically designated as Roth. On the Review Paycheck page, the pre-tax deduction will indicate that it was not taken due to reason "414v7 Limit Rollover."

No action will be required by agency payroll staff or employees to convert pre-tax contributions to Roth for purposes of meeting the catch-up requirement.

Employees are required to make Roth contributions only up to the amount of their applicable annual catch-up limit. If an employee elects to make Roth contributions prior to reaching the standard annual limit, those contributions will count toward the catch-up requirement. If an employee's total Roth contributions reach or exceed the catch-up limit, deductions will resume in accordance with the employee's contribution election, within the allowable limits for the year.

III. Correction of Pre-Tax Contributions

Prior to the system update, some employees may have made pre-tax catch-up contributions that were required to be treated on a Roth basis.

The Internal Revenue Service permits the correction of pre-tax contributions through an in-plan Roth rollover. Any pre-tax catch-up contributions that should have been made as Roth will be converted to Roth within the employee's account.

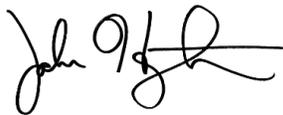
No action is required by the employee to initiate the correction. Our office will coordinate with Empower to ensure contributions are corrected in compliance with federal law. Empower will perform the conversion by December 31, 2026, and issue Form 1099-R to the affected employees for tax reporting purposes.

IV. Conclusion

Payroll and Human Resources Personnel are encouraged to share this information with all employees. For questions regarding Section 603 of the SECURE 2.0 Act, agencies may contact the Retirement Services Division at DeferredCompPlans@ct.gov.

Employees who wish to discuss how the Roth catch-up requirement may impact their contributions are encouraged to schedule a meeting with an Empower retirement counselor by visiting www.ctdcp.com and clicking "schedule a meeting" at the bottom of the page.

Very truly yours,



John W. Herrington
Director