

SECURE Act 2.0: Increased Catch-up Contributions for Ages 60-63

If your Plan has adopted the provision, effective January 1, 2025, participants aged 60 to 63 may make additional contributions to their Defined Contribution Retirement Plan as part of the SECURE 2.0 Section 109 Higher Catch-Up Limit provision. This provision will be automatically implemented if your plan has adopted it.

The enhanced catch-up contribution allows eligible participants to save more in their retirement plan, which is typically one of the best savings vehicles available.

What's Changing?

Individuals who turn 60, 61, 62, or 63 within the calendar year may contribute a higher amount of catch-up contributions. This opportunity ends for the year in which they turn 64.

The enhanced catch-up limit is **50% higher than the regular catch-up limit** that is in place for participants aged 50 and older. While you are in the enhanced catch-up age group, you can save thousands more each year toward retirement. The enhanced catch-up limit changes every year.



How This Feature Helps You

If you are eligible, these enhanced contributions:

- **Bridge gaps** in retirement savings by giving you extra room to save more aggressively
- **Offer tax benefits**, such as reduced taxable income if contributing on a pre-tax basis or potential Roth growth for after-tax contributions
- **Reduce Risk**: The more money you have saved, the less likely you are to run out of money in retirement.

Next Steps

1. **Review your retirement savings strategy.** Ensure you are maximizing your savings and that you are on track.
2. **Consult your financial advisor.** Work with a professional to explore how this provision fits into your retirement goals.
3. **Stay informed** about annual contribution limits and plan adjustments as your needs and retirement plan regulations change.

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