Vanguard®

P.O. Box 2900
Valley Forge, PA 19482-2900

www.vanguard.com

November 2025

The way you make catch-up contributions may be changing

Beginning in 2026, a new federal law may change how you make catch-up contributions, if you earned more than $145,000 in FICA wages (Social Security wages in **Box 3** of the W-2) in the previous year. This change will only apply if you earned more than that amount with the employer sponsoring the plan in which you currently participate. Catch-up contributions are only available to those that have reached the age of 50 by the end of 2026.

If you want to make catch-up contributions to your retirement plan account and earned above the dollar amount of $145,000 in FICA wages, you'll need to contribute Roth after-tax money. For 2026, the annual catch-up contribution limit is $8,000. Or you can go to **vanguard.com/contributionlimits**.

What are Roth contributions?
Roth contributions can provide tax-free retirement income. When you make Roth contributions, you pay taxes now. When you take a distribution, you won't need to pay federal tax on your Roth contributions, or their earnings, as long as you're at least age 59½ and you started your Roth contributions at least five years before the distribution.[1]

Learn more about Roth
Take a deeper dive into how this new federal law affects your retirement plan account by visiting **www.vanguard.com/roth-catch-up-contribution-rules-change**.

Questions?
We're here to help! Log in to your account at **vanguard.com/retirementplans**. Or call us at **800-523-1188** Monday through Friday from 8:30 a.m. to 9 p.m., Eastern time.

As always, thank you for investing with Vanguard.

Whenever you invest, there's a chance you could lose the money.

[1] **Taxes:** Taking money from your retirement account can affect how much you'll have to pay in taxes. You'll owe taxes on pre-tax money. You won't owe taxes on Roth earnings as long as you are age 59½ or older and it's been at least five years since your first Roth contribution. If required by law, Vanguard will withhold some taxes for you. You may need to pay a 10% federal penalty tax if you take money out early.

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