

USM Retirement Plans

Important Update for 2026

SECURE
ACT 2.0

NEW

Catch-Up
Requirement
& 2026 IRS
Limits

What’s Changing

Starting January 1, 2026, employees age 50 or older who make catch-up contributions and earned \$150,000 or more in 2025 must make those contributions on a Roth (after-tax) basis. This is a federal requirement for 403(b), 401(k), 457(b), and similar plans.

Who Is Affected

You are affected if you will be age 50 or older in 2026, you choose to make catch-up contributions, and your 2025 USM wages are \$150,000 or more. Employees below the wage threshold may continue pre-tax or Roth catch-up contributions depending on plan rules.

2026 IRS Contribution Limits

Contribution Type	2026 Limit
Standard Employee Contribution (Under 50)	\$24,500
Catch-Up Contribution (Age 50+)	\$8,000
Enhanced Catch-Up (Age 60–63)*	\$11,250

Catch-Up Contributions

Additional contributions available to employees age 50 or older that exceed the standard IRS limit.

Adjusting Your Contribution

You can change your contribution amount, percentage, or Roth/pre-tax election at any time through the Retirement@Work portal. Changes apply to future payroll contributions only

Participants in the MSRP Plan

Participants in the Maryland State Employees Supplemental Retirement Plans (MSRP) will receive additional information directly from Empower about how SECURE 2.0 applies to their MSRP contributions.

Next Steps

USM, TIAA, and Empower will share updates throughout 2025 and 2026 as the new requirement approaches.

For questions, please contact your HR/Benefits Office.