

# Roth Catch-Up Contributions Required Starting In 2026 for U.S. employees

## Frequently Asked Questions (FAQs)

Based on SECURE 2.0 legislation, there is a change to how certain participants age 50 or older make catch-up contributions to the Citi Retirement Savings Plan. This document provides additional information about how this change may impact you.

### What is the recent legislation prompting this change?

The SECURE 2.0 Act of 2022 is a federal law that aims to expand retirement coverage, increase retirement savings, and simplify retirement plan rules. One of the provisions requires that starting in 2026, employees age 50+ earning over \$150,000 from a plan sponsor in the prior year must make their retirement plan catch-up contributions as Roth (after-tax), not pre-tax, for 401(k) plans.

### What's changing?

Starting January 1, 2026, if you are age 50 or older and earned more than \$150,000 in FICA wages from Citi (including its affiliates and subsidiaries) in 2025, any catch-up contributions you make to the Citi Retirement Savings Plan must be made on a Roth after-tax basis.

This means you will no longer be able to make before-tax catch-up contributions if you are catch-up eligible and meet the income threshold.

### Who is impacted?

Employees who are eligible for catch-up contributions (e.g., participants who are/will be age 50 or older in the year) **and** whose FICA wages from Citi from the previous year exceed a threshold set by the IRS, are impacted by this federal regulation change.

FICA wages generally refer to the portion of income subject to Social Security and Medicare taxes and can be found on your Form W-2. Note that this threshold is adjusted annually for inflation and is subject to change. For the 2026 plan year, if your 2025 FICA wages from Citi exceeded \$150,000, any catch-up contributions you make to the Citi Retirement Savings Plan in 2026 must be contributed on a Roth after-tax basis.

### What does this mean for me?

The IRS allows participants aged 50 and older to make additional "catch-up" contributions beyond the annual contribution limit. These limits are updated every year. As of 2026:

- You may contribute up to the IRS limit of \$24,500 this year through before-tax contributions, Roth after-tax contributions, or a combination of both.
- If you are age 50-59 or 64 and older during 2026, you can contribute up to an additional \$8,000 in catch-up contributions above the IRS limit. If you exceeded the FICA wage threshold in 2025, these contributions must be made as Roth contributions.
- If you are age 60-63 during 2026, you can contribute up to an additional \$11,250 in catch-up contributions above the IRS limit. If you exceeded the FICA wage threshold in 2025, these contributions must be made as Roth contributions.

### How do I maximize before-tax contributions?

If you want to maximize before-tax contributions, you need to contribute **ONLY** on a before-tax basis until your year-to-date contributions reach the IRS limit of \$24,500.

## Should I make Roth catch-up contributions?

That is an individual decision based on your financial situation, and we encourage you to consult with a financial advisor to determine what's best for you. The Citi Retirement Savings Plan cannot provide financial advice.

## How do I make (or avoid making) Roth catch-up contributions?

If you are currently making before-tax contributions or a combination of before-tax and Roth contributions, once your combined before-tax and Roth contributions reach the IRS limit, if you are impacted by the IRS wage threshold, the amount normally deducted as before-tax contributions will automatically switch to Roth contributions until the age-based catch-up contribution limit is reached. This automatic switch will reset to before-tax contributions in the new year.

**If you do not want the automatic switch to Roth to occur**, you will need to **take action** and change your before-tax contribution election to zero before or once you reach the IRS limit. Please keep in mind that you are solely responsible for reviewing your contributions and rates and determining if and when you wish to make changes. Only elections for future contributions can be changed. Rate changes take effect within 1-2 pay periods. Once deducted from your pay, contributions will not be refunded. If you wish to resume making before-tax contributions in the new year, you will need to update your before-tax election again before the start of the new year.

If you are currently making Roth contributions, your contributions will continue until the age-based catch-up contribution limit is reached.

## How do the contribution types affect my take-home pay?

- **Before-tax contributions** mean you are deferring paying taxes, increasing your current take-home pay. You are taxed later when you make withdrawals in retirement.
- **Roth contributions** mean you pay taxes now, resulting in a lower current take-home pay. However, your subsequent withdrawals including interest earnings are tax-free.

## Actions you can take now to prepare:

1. Ensure you understand how to view your year-to-date 401(k) contributions and review and edit contribution rates.
2. Understand the tax implications if you make Roth catch-up contributions. Roth contributions are made after-tax, meaning income taxes are withheld on the contribution amount before the contribution is made. However, qualified withdrawals in retirement are tax-free, including earnings.
3. Consider consulting a financial advisor to evaluate whether Roth contributions align with your long-term tax strategy.

## Who should I contact with questions about the Citi Retirement Savings Plan?

- **Online:** Visit Your Benefits Resources™ (YBR) available through My Total Compensation and Benefits at [www.totalcomponline.com](http://www.totalcomponline.com)
  - For a summary of your year-to-date contribution balance, go to Savings and Retirement, and select Contributions. To review or change your contribution rates, select 'Change Contributions'.
- **By Phone:** Call the Citi Benefits Center via ConnectOne at 1-800-881-3938. Representatives are available from 9 a.m. to 6 p.m. ET on weekdays, excluding holidays.