Vanguard

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[Plan Name]
[Plan Number]

[Month/Year]

You may need to change how you make catch-up contributions

Since you earned more than $150,000 in FICA wages (Social Security wages in Box 3 of your W-2) in 2025, a new federal law may change how you're able to make catch-up contributions beginning in 2026. Because you earned more than $150,000 from the employer sponsoring your current retirement plan, any catch-up contributions will need to be made as Roth after-tax contributions.

Catch-up contributions are only available to those who have reached age 50 by the end of 2026. For 2026, the annual catch-up contribution limit for those ages 50 to 59 or 64 and older is $8,000. If you're ages 60 to 63, you can make $11,250 in catch-up contributions.

What are Roth contributions?
Roth contributions can provide tax-free retirement income. When you make Roth contributions, you pay taxes now. But 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.[1]

What do you have to do?
You're responsible for making sure you're contributing Roth money for your catch-up contributions. Start by making a plan—determine if you're contributing pre-tax money to your retirement plan and whether you're going to maximize your pre-tax contributions, which would be $24,500. If you're going to reach the pre-tax limit and you earned more than $150,000 in 2025, make sure you switch to Roth for your catch-up contributions. Log in to your account at **vanguard.com/retirementplans**, then go to the **Contributions** page to continue making catch-up contributions using Roth money.

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.