Fast Fact
January 22, 2026

SECURE 2.0 Act: How Many Participants and Plans Will Be Impacted by the New Catch-Up Contribution Rules for High Earners?

According to the Internal Revenue Service, "A catch-up contribution is an elective deferral made by a participant ages 50 or older that exceeds a statutory limit, a plan-imposed limit, or the actual deferral percentage (ADP) test limit for highly compensated employees (HCEs)."[1] In 2023, the statutory limit for an employer-sponsored retirement plan was $22,500, and participants ages 50 or older were allowed to contribute an additional catch-up contribution of $7,500. These limits are adjusted annually.

The SECURE 2.0 Act placed restrictions on catch-up contributions for high-earning participants. Beginning after December 31, 2025, participants who earned more than $150,000 in the previous calendar year will be required to make catch-up contributions as Roth after-tax contributions. This *Fast Fact* utilizes data from the 2023 Public Retirement Research Lab (PRRL) Database[2] to evaluate the effect of this provision on public-sector retirement plan participants by analyzing the percentage of participants making catch-up contributions, the proportion of those who are high earners, and the percentage of plans that will need to have a Roth contribution feature to allow these participants to continue to make catch-up contributions. The analysis includes over 900,000 participants with available age and salary information who made contributions in 2023, representing 208 different plans.

Contributions

Figure 1 illustrates that 2 percent of all participants who contributed to their retirement plan in 2023 made catch-up contributions. Although this is a small number, 36 percent of all participants were eligible to make catch-up contributions. Among those eligible, 5 percent chose to participate (Figure 2).

Figure 1
Catch-Up Contribution Participation Rate Among Individuals Who Contributed to Their Plans in 2023

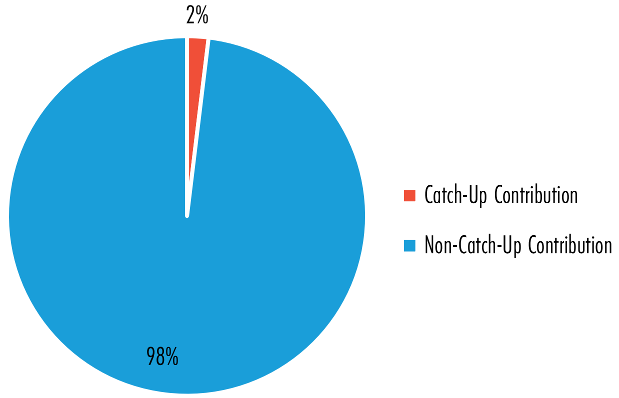


Figure 2
Catch-Up Contribution Participation Rate Among Eligible Individuals Who Contributed to Their Plans in 2023 (Age >= 50)

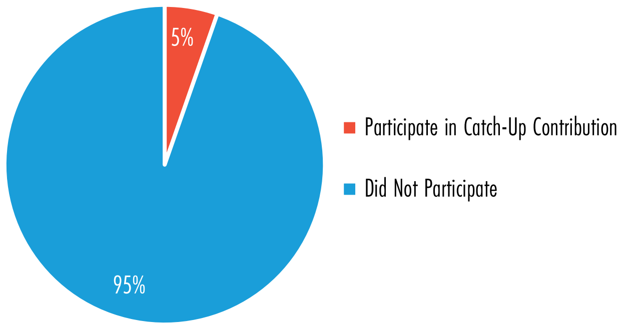
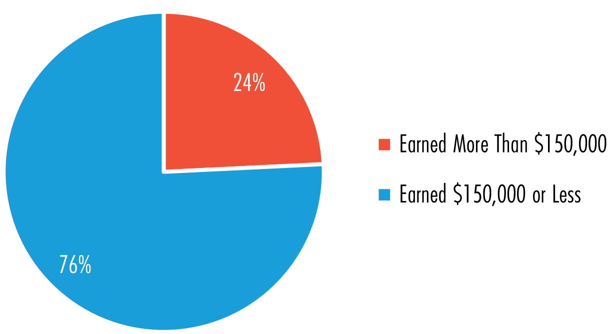


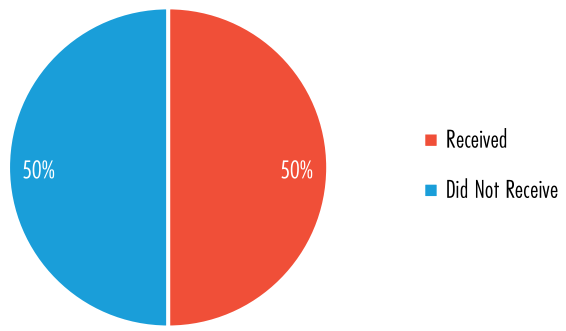
Figure 3 indicates that among those who made catch-up contributions, 24 percent earned $150,000 or more, representing a significant portion of individuals utilizing this contribution option.

Figure 3
Percentage of Individuals Earning $150,000 or Higher Among Those Participating in Catch-Up Contribution in 2023



While those utilizing catch-up contributions may represent a small fraction of participants, many plan sponsors will need to implement a Roth contribution feature to accommodate higher earners who can make catch-up contributions. Figure 4 illustrates that half of the plans analyzed had a participant earning more than $150,000 who made a catch-up contribution in 2023.

Figure 4
Percentage of Plans That Received Catch-Up Contribution From Participants Earning More Than $150,000 in 2023



Conclusion

The SECURE 2.0 Act requires that individuals earning over $150,000 in the previous calendar year must designate their catch-up contributions as Roth contributions. According to the 2023 PRRL data, 2 percent of all contributing participants made catch-up contributions, which represents 5 percent of all eligible participants. Among those participants, 24 percent earned more than $150,000. Although this group represents a small portion of all contributing participants, half of the plans received catch-up contributions from those earning over $150,000. Consequently, many plan sponsors will need to offer a Roth contribution feature to allow high earners to continue to make catch-up contributions.[3]

About PRRL

The Public Retirement Research Lab is a retirement-industry-sponsored collaborative effort of the Employee Benefit Research Institute (EBRI) and the National Association of Government Defined Contribution Administrators (NAGDCA). The PRRL analyzes data from its Public Retirement Research Database, the first-ever database specific to public-sector defined contribution data, to produce unbiased, actionable research aimed at enhancing understanding of the design and utilization of public-sector defined contribution retirement plans to better inform public plan design, management, innovation, and legislation. To learn more, visit www.prrl.org.

[1] For more information, see Internal Revenue Service, "Issue snapshot - 401(k) plan catch-up contribution eligibility." Available at https://www.irs.gov/retirement-plans/issue-snapshot-401k-plan-catch-up-contribution-eligibility.

[2] For more 2023 results and information about the PRRL Database, see Thephasit, Samita, "*The State of Public-Sector DC plans: 2023*," *PRRL Research Study*, no. 8 (Public Retirement Research Lab, November 20, 2025). Available at https://www.ebri.org/retirement/publications/issue-briefs/content/the-state-of-public-sector-dc-plans--2023.

[3] In the 2023 PRRL Database, 38 percent of plans with contributing participants who have provided salary and age information offered a Roth contribution option. However, when including plans that indicated they offer Roth contributions but did not share contribution data with PRRL, the percentage increases to 53 percent.