

December 2025

# **ACTION ITEMS**

View the Cost-of-Living Adjustments for 2026

Register for the 2026 Quarterly Administration Webinars

Address Forfeitures by December 31

Review Mandatory Roth Catch-up Requirement in 2026

### **Cost-of-Living Adjustments for 2026**

The table to the right shows the cost-of-living adjustments for benefits and contributions for 2026 announced by the IRS.



# **Adress Forfeitures by December 31**

**IRS regulations require that plan administrators use forfeitures** no later than 12 months after the close of the plan year in which the forfeitures are incurred. Therefore, forfeitures incurred in 2024 must be used by December 31, 2025. Plan administrators have received reminders from Voya to address any outstanding forfeiture balances, so please take action before year-end.

Forfeitures arising in a defined contribution plan may be used to (i) pay plan administrative expenses, (ii) reduce employer contributions, or (iii) allocate to participants as an additional contribution. Your Adoption Agreement indicates your election with respect to the use of forfeitures (Section 9.4, page 40), and that election must be followed.

# **2026 Quarterly Administration Webinars**

Please go ahead and register for our 2026 Quarterly Administrator webinars with Voya for 2026. As a reminder, we provide updates and address any questions that you might have on the 401(k) plan:

- o Q2: Friday, June 17, 2026
- Q3: Wednesday, September 16, 2026
- o Q4: Wednesday, December 9, 2026

### **Mandatory Roth Catch-up Requirement in 2026**

Effective January 1, 2026, employees who earned more than **\$150,000 in FICA wages in 2025** (as reported in Box 3 of the W-2) must designate any catch-up contributions as Roth contributions. Please note: When the IRS announced the 2026 contribution limits, they also increased the FICA wage threshold from \$145,000 to \$150,000 for determining mandatory Roth catch-up contributions. Catch-up contributions are additional elective deferrals available to participants age 50 or older that exceed the standard IRS employee contribution limit for the year, which is \$24,500 for 2026.



Voya has provided information on creating a payroll code (the "Mandatory Roth Catch-up Indicator") that employers must use to identify the employees who earned more than \$150,000. If the employee is correctly coded on the Voya website, Voya will "turn off" the pre-tax contributions when the participant's deferrals reach \$24,500, but Voy will not designate remaining deferrals as Roth catch-up contributions. Your payroll provider also should be guiding you on this rule change. If you need additional instruction, you can contact your Voya plan manager – Terri Ireland or Johnnie Battle.

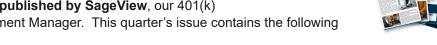
### Participant Education Sessions - Recordings of SageView Programs in 2025

Feel free to share or post the following links to the recordings of the participant education programs that SageView conducted for SBA plan sponsors this year. We will announce next year's participant education program in late January or early February. We welcome your input if there are topics that you think your participants would like to learn more about. Please e-mail Claire Pollock with any suggestions.

- February 27: Retirement Contributions Pre-Tax vs Roth, and Catch-up Contributions
- April 10: 5 Key Risks in Retirement
- July 15: Deep Dive into Social Security
- October 15: 401(k) Plan Investments
- October 28: 401(k) Plan Overview

# SageView Quarterly Newsletter

View SageView's Quarterly Viewpoint for a comprehensive newsletter published by SageView, our 401(k) Plan Investment Manager. This quarter's issue contains the following



- Gen Z and Millennial Women Face a Confidence Gap Around Money
- Gen Z Workers are Tapping Retirement Savings to Pay Off Debt
- Emergency Savings Help Protect Retirement Readiness
- The Link Between Financial Health and Employee Performance
- Insights from SageView's Research Team

#### Questions?

articles:



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