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Industry observers encourage employers to focus on information systems and communications as new Roth requirement for high earners rolls out.

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Starting in 2026, high earners making catch-up contributions in their workplace retirement plans will need to do so via Roth accounts, losing the near-term tax advantage of writing off those additional contributions.

Experts say the change, authorized as part of the SECURE 2.0 Act of 2022, is unlikely to meaningfully affect how much affected participants save, but it may change the way that they think about Roth accounts. The new rules apply to those age 50 or older who earned at least $150,000 in 2025.

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"Typically, those high earners are going to gravitate toward taking advantage of pre-tax contributions to lower their taxable income today and not really think about it for the long term," says Michelle Cannan, managing director and head of company retirement plan services at Modern Wealth Management.

But as they dip their toes into Roth contributions, these participants may be more interested in making additional Roth contributions or consider converting existing pre-tax accounts to Roth. Affected participants will likely continue making catch-up contributions, either because they are behind and saving a relatively large percentage of their income or because they are high earners limited by the base deferral rate, according to David Blanchett, head of retirement research at Prudential and a portfolio manager at PGIM.

"These people … have recognized that they need to save more for retirement and will likely continue doing so, even with the change," Blanchett says.

Limited Percentage of Earnings

In 2026, those 50 and older can stash an additional $8,000 in their retirement accounts through catch-up contributions, on top of the $24,500 limit for regular contributions. Those aged 60 through 63 have a higher catch-up limit and can save an additional $11,250, bringing their total to $35,750.

"The net effect as a percentage of income, for people who are able to save more than $30,000 for retirement, is going to be on the smaller end on a percentage basis for those employees," says Chris Dall, deputy chief operating officer and head of contribution retirement solutions at PNC.

An individual in the 32% tax bracket, for example, would lose $2,500 in tax savings for 2026 by putting the extra $8,000 in a Roth 401(k) rather than a traditional 401(k). While that is a sizeable amount, it may not be enough to keep those individuals from taking advantage of the long-term tax benefits of the Roth, Dall says.

For affected individuals, the opportunity to put more retirement savings in a Roth account may improve their financial security over the long term by providing them with more flexibility to plan future withdrawals. With Roth contributions, participants pay taxes upfront on their contributions in exchange for tax-free growth and tax-free withdrawals later. Plan sponsors should lean into that aspect as they educate participants about the coming changes, experts say.

"It's a good opportunity to educate people on the benefits of Roth and how it's different, and the concept of tax diversification," says David Stinnett, head of strategic retirement consulting at Vanguard. "I think people understand diversification as it pertains to investing in stocks and bonds, but the same concept applies to tax diversification."

According to Vanguard data, among plan participants making at least $150,000 per year, about one in five is currently making any Roth contributions.

"That percentage will increase," Stinnett says. "But it's not like [Roth contributions] are a completely foreign concept to highly compensated participants right now."

Communicating the Change

Cannan said her firm is working with plan sponsors to prepare communication materials aimed specifically at eligible participants. They've also included information about the change in recent newsletters and in a podcast episode.

"The more information we can get out there, the better, because I do think it will take some participants by surprise," she says.

While plan sponsors must make a "good faith" effort to implement the rules this year, the IRS has given plan sponsors some breathing room, allowing them to complete any necessary plan amendments in 2027, says Elizabeth Dold, managing partner in Groom Law Group.

"Folks do need to coordinate with their recordkeeper, with their payroll and have lots of communications to impacted participants," Dold says. "Probably the hardest part is between the payroll and your 401(k) recordkeeper, because they're not always on the same page."

The income cut-off is based on prior-year FICA wages from the employer sponsoring the plan. Plan sponsors will need to make sure that their systems are ready for the shift, beginning with making sure protocols are in place to block those earning more than $150,000 per year from making traditional, pre-tax catch-up contributions and providing the ability to recharacterize contributions as Roth and notify participants.

Plan sponsors that do not allow Roth contributions will have to prevent high earners from making catch-up contributions at all.

"I do think that the administrative side is going to be a little bit of a headache for plan sponsors as they start to wrestle with these rules in 2026 and beyond," Dall says.

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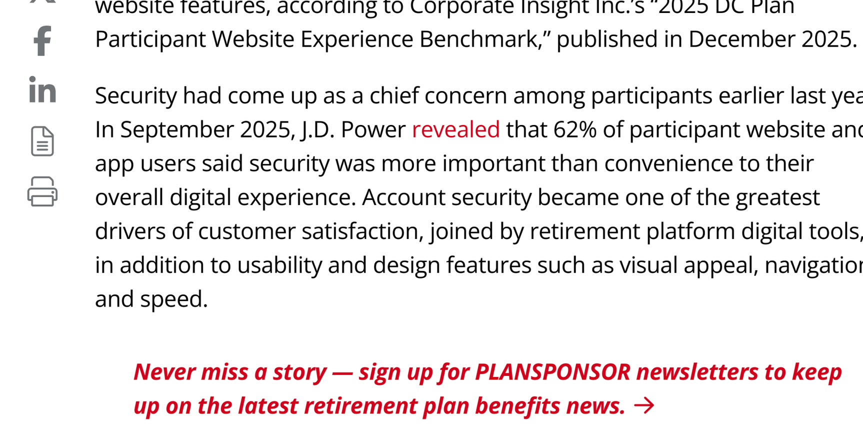
What Site Features Do DC Participants Value Most?

Account balance information, security settings and privacy preferences take the top three spots, according to a new study from Corporate Insight.

Reported by EMILY BOYLE



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How Many Catch-Up Elections Are There in 2026?

Defined contribution plan participants most value account balance information, security settings and privacy preferences among recordkeeping website features, according to Corporate Insight Inc.'s "2025 DC Plan Participant Website Experience Benchmark," published in December 2025.

Security had come up as a chief concern among participants earlier last year. In September 2025, J.D. Power revealed that 62% of participant website and app users said security was more important than convenience to their overall digital experience. Account security became one of the greatest drivers of customer satisfaction, joined by retirement platform digital tools, in addition to usability and design features such as visual appeal, navigation and speed.

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Andrew Denegre, a senior analyst at Corporate Insight and lead researcher for its 2025 study, says recordkeepers that have already invested in "core features" desired by participants now have the "freedom to innovate" with advanced features. Meanwhile, recordkeepers who have not invested in the basics now face pressure to step up their game.

Breaking Down the Ratings

Account balance information is what participants come to see, Denegre says, which explains why 89% of participants rated that category as "extremely important."

However, the "privacy preferences category is new [to the top]," says Denegre. "It hasn't been at the bottom, but it hasn't floated up this high before."

Of all respondents, 85% rated privacy preferences as "extremely important."

Denegre says when firms communicate to participants that their data will not be shared externally, participants may be more comfortable sharing data with the firm for reasons that could benefits them, such as enabling enhanced site personalization.

Recordkeeper firms can—and are—leveraging artificial intelligence to create more tailored experiences for participants, Denegre says. For instance, firms may use AI to bring emergency savings tools to the attention of younger participants while highlighting catch-up contributions to a participant nearing retirement.

The Corporate Insight study identified Fidelity Investments, Alight Solutions and TIAA as "early innovators integrating AI-powered virtual support" into their platforms. Those firms, along with T. Rowe Price, achieved overall score gains in 2025 thanks to AI-driven enhancements. The study stated that TIAA's FAQ-style results and Alight's Lumen AI summaries "cut through the noise" of conventional keyword searches.

Ranking recordkeepers' overall digital experiences, Corporate Insight placed Fidelity, TIAA, Empower Retirement and T. Rowe Price first, second, third and fourth, respectively. Fidelity maintained the top position in both the design and navigation category and the planning and research category for the third consecutive year, while continuing to earn the No. 1 spot in support. A new plan dashboard design extended the firm's lead in design and navigation, while a fresh financial wellness dashboard gave the firm a near-perfect planning and research rating. Fidelity's improved virtual assistant functionality aided its high support ranking, according to the study.

J.D. Power ranked 18 plan site and app providers on a 1,000-point scale that it calls its "Overall Customer Satisfaction Index." Fidelity—in seventh place with 700 points—ranked greater than the study average of 690 points, and TIAA and Empower both ranked worse than the study's average, tied with Voya for 14th place (663 points). Bank of America (747), Vanguard (717) and Ascensus (712)—in that order—earned the highest marks on the index.

Plan sponsors that responded to PLANSPONSOR's 2025 DC Survey: Plan Provider Service Ratings consistently ranked Ascensus as a top-five provider for plans with assets up to $200 million. The firm also was recognized with several best-in-class awards in every service for which it was rated: participant services; sponsor services and support; plan administration; and investment and fees.

Simplicity Wins

Denegre says the leading firms identified in the Corporate Insight study found ways to integrate new resources without making their sites too complex. Fidelity and TIAA, for example, were able to integrate emergency savings offerings, such as Fidelity's Goal Booster and Vanguard's Cash Plus Account, into a "holistic and cohesive [digital] experience," rather than a "sprawling, disorienting" one.

Edsart Heuberger, the product manager of pension administration benchmarking subscription at CEM Benchmarking Inc., says some recordkeepers still struggle to relay complex information in straightforward language.

"I think it's just a human tendency to always try to do more with less," says Heuberger. "Sometimes, keeping things sensible and simple can [seem] really difficult."

While virtual support has proliferated, Heuberger emphasizes that a "digital-only approach" makes it difficult to reach a service representative when a participant truly needs to. Sites may purposely withhold the contact information of a service center for the sake of cost—a concealment he cautions against.

Corporate Insight fielded its 2025 DC Plan Participant Website Experience Benchmark survey in September, collecting responses from more than 1,500 plan participants.

The 2025 DC Survey: Plan Provider Service Ratings is based on the results of the annual PLANSPONSOR Defined Contribution Survey. The survey was fielded online among 3,172 plan sponsors from August through November 2024. All plan data were current as of June 30, 2024.

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