

Memo

Date: December 30, 2025

To: Agency Payroll, Human Resources, and Accounting Staff

From: Katie Karow, Director, Statewide Payroll Services

RE: Changes to Optional Savings Plans Catch-Up Contributions in 2026

Beginning January 1, 2026, agency employees participating the Minnesota Deferred Compensation Plan (MNDCP) 457(b) and/or the Minnesota State TSA Plan 403(b) may have additional requirements for catch-up contributions based on prior-year income.

Depending on the employee's age and prior year income, employee catch-up contributions may require contributions be made on an after-tax Roth basis. These additional catch-up changes are related to the Secure 2.0 Act, which contains enhancements to certain retirement savings plans.

Note: Contribution amounts include employer matches.

457(b) – Minnesota Deferred Compensation Plan

| Participating Age | 2026 Basic Limit | Additional Catch-Up | 2026 Maximum Limit | Mandatory Roth Contribution |
|-------------------|------------------|---------------------|--------------------|-----------------------------|
| Under Age 50 | \$24,500 | n/a | \$24,500 | n/a |
| Age 50-59 | \$24,500 | \$8,000 | \$32,500 | age/income limit* |
| Age 60-63** | \$24,500 | \$11,250 | \$35,750 | age/income limit* |
| Age 64 and Over | \$24,500 | \$8,000 | \$32,500 | age/income limit* |

*If an employee's 2025 Social Security wages were \$150,000 or more, additional catch-up contributions **must** be made on an after-tax Roth basis.

** A separate catch-up provision for MNDCP 457(b) allows a participant to contribute unused portions of the basic limit from prior years, within three years of their normal retirement age as specified by the plan. This provisional contribution allows for a contribution of up to \$49,000 for calendar year 2026.

403(b) – MN Tax Sheltered Annuity (TSA) Plan

| Participating Age | 2026 Basic Limit | Additional Catch-Up | 2026 Maximum Limit | Mandatory Roth Contribution |
|-------------------|------------------|---------------------|--------------------|-----------------------------|
| Under Age 50 | \$24,500 | n/a | \$24,500 | n/a |
| Age 50-59 | \$24,500 | \$8,000 | \$32,500 | age/income limit* |
| Age 60-63** | \$24,500 | \$11,250 | \$35,750 | age/income limit* |
| Age 64 and Over | \$24,500 | \$8,000 | \$32,500 | age/income limit* |

*If an employee's 2025 Social Security wages were \$150,000 or more, additional catch-up contributions **must** be made on an after-tax Roth basis.

Questions?

Plans 457(b) and 403(b):

- For Plan 457(b) – Deferred Compensation Plan questions, contact:
 - MSRS Service Center at 1-800-657-5757, option 3, Monday - Friday 8:00 a.m. to 4:30 p.m.
- For Plan 403(b) – Tax Sheltered Annuity questions, contact:
 - TIAA- Minnesota State's Retirement Center at 1-800-682-8969, Monday - Friday, 7:00 a.m. to 9:00 p.m. and ask to speak to a Minnesota State's Retirement Center Representative.
 - Minnesota State Benefits Helpdesk at employee.benefits@minnstate.edu.
- **Other:** If you have other questions about this information, contact your Human Resources or Payroll office. You can obtain contact information from within Self Service: under **Need Assistance?**, select **Employee Contacts**.

PLEASE SHARE THIS INFORMATION WITH APPROPRIATE AGENCY STAFF