

# CHAFFEY COMMUNITY COLLEGE

## Payroll Department Update

### 403(b) & 457 Plans

#### Eligibility to Participate

All Chaffey College employees are eligible to participate in both 403(b) and 457 plans.

Since contributions are deducted from your monthly salary, please make sure that your requested monthly contribution amount does not exceed your monthly salary. This is especially relevant to part-time employees whose hours and salary fluctuate from month to month.

If your contribution exceeds your salary, your entire contribution will be suspended. Then to restart your contributions, you will need to submit a new Salary Reduction Agreement (SRA) to payroll.

#### Department Contacts

Maria Jara - Ext. 6029  
Classified Payroll

Tara Schroeder - Ext. 6037  
Certificated Payroll

Kim Streit - Ext. 6030  
Payroll Administrator

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Director, Accounting Services

#### **2026 Retirement Plan Contribution Changes: Limits Increased and New Roth Requirements for “High Earners”**

The Internal Revenue Service (IRS) has announced increased contribution limits for 403(b) and 457 plans for 2026. Additionally, the SECURE 2.0 Act introduces a new mandatory Roth contribution requirement for age-based catch-up contributions that affects "High Earners". For specific questions about your personal situation, please contact your financial advisor or tax professional.

#### **2026 Annual Contribution Limit Table**

Plan Type	Annual Contribution (Basic Limit)	Age 50-59 & Age 64 + Catch-Up	Ages 60-63 Catch-Up
403(b)	\$24,500	\$8,000	\$11,250
457	\$24,500	\$8,000	\$11,250
<b>Total</b>	<b>\$49,000</b>	<b>\$16,000</b>	<b>\$22,500</b>

#### **Mandatory Roth Catch-Up for High Earners**

Starting January 1, 2026, the SECURE 2.0 Act mandates that all age-based catch-up contributions (for ages 50+) for "high earners" must be made as **after-tax Roth** contributions. Pre-tax contributions are still permitted for the standard “Basic” annual limit.

#### **Who is a “High Earner”?**

A “High Earner” is defined as an individual (age 50 or older) whose wages, as reported in Box 3 of Form W-2 for the prior year, were \$150,000 or more. For the 2026 plan year, this threshold is based on your 2025 wages. **Please note** – if you are an employee with no FICA wages, you are exempt from the mandatory Roth catch-up requirement.

#### **Action Required:**

If you meet the “High Earner” threshold and wish to make catch-up contributions, they must be directed to a designated Roth account. Please verify with your plan administrator or payroll department that your contribution elections are set up correctly to comply with this new IRS requirement.