SECURE 2.0
Roth Catch-Up Requirement Guide

As of 01.12.2026

The SECURE 2.0 Act ("SECURE 2.0") contains a provision affecting how catch-up contributions must be handled for highly paid individuals. The rule was initially effective in 2024, but the IRS delayed enforcement until 2026.

On September 15, 2025, the Treasury Department finalized regulations under these rules. The final regulations generally adopted the proposed rules, with some clarifications and minor additions. While the final regulations will not take effect until 2027, the Roth catch-up requirement remains effective beginning January 1, 2026.

Alerus is updating its systems and processes to support this change. This guide outlines the new requirements, explains the responsibilities for both employers and payroll providers, and details how Alerus will assist your plan in administering the new Roth catch-up requirements.

Roth Catch-up Contribution Rules Under SECURE 2.0

Beginning January 1, 2026, catch-up contributions made by highly paid individuals (HPIs), as defined below, must be made on a Roth basis. To comply with this requirement, plans may adopt a deemed Roth election. This option automatically treats catch-up contributions from HPIs as Roth once the participant reaches the IRS deferral limit.

If a plan does not offer Roth contributions, HPIs will not be eligible to make catch-up contributions.

Key Requirements and Definitions

- Participants subject to the requirement are those who are eligible to make catch-up contributions and meet the definition of a highly paid individual (HPI).
- An HPI is any participant who earned more than the FICA wage limit (currently $150,000, indexed annually) from the employer sponsoring the plan[1] during the prior calendar year.
- This requirement applies to 401(k), 403(b), and governmental 457(b) plans.
- FICA wages are defined as the Social Security wages reported in box 3 of the IRS Form W-2.

What is a deemed Roth election?

- If a plan offers Roth contributions, it may implement a deemed Roth election. This means catch-up contributions made by participants who exceed the FICA wage limit will automatically be treated as Roth contributions.
- The deemed Roth election allows plan sponsors to use specific correction procedures outlined in current regulations.
- Once a participant reaches the IRS deferral limit, the plan sponsor and payroll provider must update the contribution type from pre-tax to Roth.
- Participants subject to the requirement must also be given the option to opt out of the deemed Roth election. If they choose to opt out, no catch-up contributions will be made on their behalf.

Off-Calendar Year Plans

For plans that operate on a fiscal year rather than a calendar year, HPI status is still determined using FICA wages from the prior calendar year. This means the Roth catch-up requirement may apply across two plan years if the participant continues to meet the HPI definition.

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[1] FICA wages from employers in a controlled group or that use a common paymaster are not aggregated unless the plan sponsor elects to do so. In a multiple employer plan (like a PEP), FICA wages from participating employers are not aggregated. There are special rules in the case of certain corporate transactions.

What to Discuss with Your Payroll Provider

To ensure smooth administration, confirm the following with your payroll provider:

- Can they identify employees who exceed the FICA wage limit and report that information after year-end?
- Will they automatically convert catch-up contributions from pre-tax to Roth once an HPI reaches the IRS deferral limit? (For plans using the deemed Roth catch-up election.)
- If an HPI opts out of Roth catch-up contributions, is there a way to record that election in the payroll system and stop catch-up contributions? (For plans using the deemed Roth catch-up election.)
- Will they retain election records and reset them at the start of each year unless a new election is submitted?

If your payroll provider cannot support these updates, we should schedule a joint call to walk through how Roth catch-up contributions will be handled. This step helps prevent corrections in 2027, including having to reissue tax forms or making other retroactive adjustments.

Plans Without Roth feature

If your plan does not currently allow Roth contributions, the following procedures apply for catch-up contributions:

Note: *For participants who meet the HPI definition and wish to make catch-up contributions in 2026 or later, the plan must be amended to include Roth contributions.*

General Rules

- Alerus will not add a Roth feature unless you request it. Although the amendment can be signed in 2026, you need to notify Alerus in writing that you wish to make the amendment before we will turn on our systems to accommodate Roth contributions.
- Participants subject to the requirement (HPI) cannot make catch-up contributions.
- Participants who do not meet the HPI definition may continue making pre-tax catch-up contributions, if permitted by the plan.
- This plan design may require additional nondiscrimination testing.

How Alerus Will Help

Alerus will support your plan's administration of the Roth catch-up requirement through the following actions:

- Request prior year FICA wages from the plan sponsor each January.
- Use that data to update the HPI statuses in the recordkeeping system for participants who meet the HPI definition.
- Generate a monthly Roth Catch-up Report and notify plan sponsors when it is available. The report will show which participants are subject to the requirement and include their year-to-date deferral amounts by source.

Employer Roles and Responsibilities

Employers play a key role in ensuring compliance with the Roth catch-up requirement. The following responsibilities apply:

- Confirm that your payroll provider has procedures in place to meet all plan obligations.
- Work with your payroll provider to identify any steps that require employer action. Establish how you will coordinate to meet plan requirements and maintain smooth administration.
- If needed, develop internal practices and procedures that address Roth catch-up compliance before any catch-up contributions are made by HPIs.
- Provide prior year FICA wages to Alerus in coordination with your payroll provider.
- Review the monthly Roth Catch-up Report:
  - Confirm that participants subject to the requirement (HPIs) are correctly identified and reported.
  - Ensure contribution amounts align with your payroll system.
  - Verify that HPIs do not have pre-tax catch-up contributions.
- If an HPI has contributed over the pre-tax limit, notify your Alerus representative immediately. The employer is responsible for the cost of any correction, including applicable Alerus correction fees.

Payroll Provider Roles and Responsibilities

Payroll providers are responsible for supporting plan compliance with the Roth catch-up requirement. Their responsibilities include:

- Identifying participants who meet the HPI definition using prior year FICA wages.
- Coordinating with the plan sponsor to provide accurate FICA wage data to Alerus.

FICA Wage Threshold

Participants At/Under (non-HPI)	Participants Over (HPI)
Continue sending pre-tax contributions based on participant’s election up to the IRS catch-up limit.	■ Monitor pre-tax contributions. ■ **Stop** sending contributions once the participant reaches the plan or IRS limit. ■ **Restart** pre-tax contributions each January based on the participants’ elections.

Participant Experience

Online Rate Change plans

- Participants will continue to make deferral elections online using the standard process.
- For participants who meet the HPI definition, the payroll provider will automatically stop catch-up contributions once the IRS pre-tax limit is reached for the calendar year. Contributions will restart on January 1.
- Catch-up eligible participants will see a new section on the Change My Contributions web page. The message in this section will indicate if the participant is an HPI based on prior year FICA wages with a reminder that no catch-up contributions are allowed.

Paper Rate Change Plans

- Participants will continue to submit deferral elections using a Salary Reduction Agreement.
- For those who meet the HPI definition, the payroll provider will stop catch-up contributions once the IRS pre-tax limit is reached for the calendar year. Contributions will restart on January 1 based on the participant’s election.

Plans With Deemed Roth Catch-up (online rate changes)

If your plan allows both Roth and catch-up contributions, the default approach will be to implement the SECURE 2.0 requirement using a deemed Roth election. Using the deemed Roth election will create the most seamless experience for highly paid individuals making catch-up contributions, plan sponsors, and payroll providers, and will allow the plan to utilize additional correction methods in the event of an error.

General Rules

- Participants who meet the HPI definition will have their catch-up contributions automatically converted from pre-tax to Roth, unless they opt out of catch-up contributions entirely.
- HPIs may opt out of catch-up contributions but cannot elect to make them on a pre-tax basis.
- Participants who do not meet the HPI definition may continue to make catch-up contributions as either pre-tax or Roth, depending on their standard elections.
- These rules will be included in the SECURE 2.0 plan amendment scheduled for 2026 for plans using the Alerus document. (For plans not on the Alerus document, contact your document provider.)

How Alerus Will Help

Alerus will support your plan's administration of the Roth catch-up requirement through the following actions:

- Request prior year FICA wages from the plan sponsor each January.
- Use that data to update the HPI statuses in the recordkeeping system for participants who meet the HPI definition.
- Provide participants subject to the requirement with the ability to opt out of catch-up contributions through the online deferral election system.
- Generate a monthly Roth Catch-up Report and notify plan sponsors when it is available. The report will show which participants are subject to the requirement, their year-to-date deferrals by source, and any opt-out elections submitted online.

Employer Roles and Responsibilities

Employers are responsible for ensuring plan operations align with the Roth catch-up requirement. Key responsibilities include:

- Confirm that your payroll provider has procedures in place to meet all plan obligations.
- Work with your payroll provider to identify any steps that require employer action. Establish how you will coordinate to meet plan requirements and maintain smooth administration.
- If needed, develop internal practices and procedures that address Roth catch-up compliance before any catch-up contributions are made by HPIs.
- Review the monthly Roth Catch-up Report:
    - Confirm that HPIs are correctly identified and reported.
    - Ensure pre-tax and Roth contribution amounts align with your payroll system.
    - Verify that HPIs do not have pre-tax catch-up contributions.
    - Implement any deemed Roth opt-out elections in coordination with your payroll provider.
- If an HPI has catch-up contributions submitted as pre-tax or has opted out and Roth contributions were made in error, notify your Alerus representative immediately. The employer is responsible for the cost of any correction, including applicable Alerus correction fees.

Payroll Provider Roles and Responsibilities

Payroll providers play a critical role in supporting plan compliance with the Roth catch-up requirement. Their responsibilities include:

- Identifying participants who meet the HPI definition using prior year FICA wages.
- Coordinating with the plan sponsor to provide accurate FICA wage data to Alerus.
- Implementing deemed Roth catch-up opt-out elections in partnership with the plan sponsor.

FICA Wage Threshold

<table>
<tr><th>Participants At/Under (non-HPI)</th><th>Participants Over (HPI)</th></tr>
<tr><td rowspan="6">Continue sending pre-tax or Roth contributions based on participant’s election up to the IRS catch-up limit.</td><td>Roth Election Only</td></tr>
<tr><td>Continue sending Roth contributions based on participant’s election up to the catch-up limit.</td></tr>
<tr><td>Deemed Roth</td></tr>
<tr><td>▪ Monitor pre-tax contributions.
▪ Stop sending pre-tax contributions once the participant reaches the plan or IRS limit.
▪ Start sending catch-up contributions as Roth up to the catch-up limit.
▪ Restart pre-tax contributions each January based on the participant’s election.</td></tr>
<tr><td>Opt Out of Deemed Roth</td></tr>
<tr><td>▪ Monitor pre-tax contributions.
▪ Stop sending pre-tax contributions once the participant reaches the plan or IRS limit.
▪ Do not send catch-up contributions (operate like they are not catch-up eligible).
▪ Restart pre-tax contributions each January based on the participant’s election.</td></tr>
</table>

Participant Experience

We've updated our process to support deemed Roth catch-up opt-out elections. Here's how the process works:

- All participants will continue to make their standard deferral elections online.
- Participants who meet the HPI definition will be able to opt out of the deemed Roth catch-up election.
  - If an HPI opts out, no catch-up contributions will be made for that calendar year, regardless of their regular deferral election. If the HPI opts out after having made some catch-up contributions, no additional catch-up contributions will be made in the calendar year. Plan sponsors are informed of opt outs on a monthly basis and should implement with their payroll provider as soon as administratively feasible.
  - The opt-out election will be captured and reported to the plan sponsor through the monthly Roth Catch-up Report.
  - The payroll provider will stop catch-up contributions for that calendar year based on the opt-out election.
  - No action is required if the participant does not wish to opt out.
- Participants who do not meet the HPI definition may continue to make pre-tax or Roth catch-up contributions using their standard election method.
- Catch-up eligible participants will see a new section on the Change My Contributions web page called Deemed Roth Catch-up Election. Dynamic messaging will display based on received FICA wages.

For plans that do not adopt the deemed Roth catch-up election:

- Please talk to your Alerus representative, as the above-mentioned assistance and guidance do not apply if your plan does not adopt the deemed Roth catch-up election. In this situation, the plan sponsor is responsible for all administrative actions required to comply with the Roth catch-up requirements.
- Alerus and the payroll provider will not automatically convert catch-up contributions to Roth.
- Participants who meet the HPI definition are responsible for managing their own deferral elections to comply with the Roth catch-up requirement.
- These plans are not eligible to use the two new correction methods available under current regulations. Any ineligible pre-tax catch-up contributions must be corrected as excess contributions under the Employee Plans Compliance Resolution System (EPCRS).
- If applicable, these rules will be included in the SECURE 2.0 plan amendment scheduled for 2026 for plans using the Alerus document. (For plans not on the Alerus document, contact your document provider.)

Plans with Deemed Roth Catch-up (paper rate changes)

If your plan allows both Roth and catch-up contributions, the default approach will be to implement the SECURE 2.0 requirement using a deemed Roth election. Using the deemed Roth election will create the most seamless experience for highly paid individuals making catch-up contributions, plan sponsors, and payroll providers, and will allow the plan to utilize additional correction methods in the event of an error.

General Rules

- Participants who meet the HPI definition will have their catch-up contributions automatically converted from pre-tax to Roth, unless they opt out of catch-up contributions entirely.
- HPIs may opt out of catch-up contributions but cannot elect to make them on a pre-tax basis.
- Participants who do not meet the HPI definition may continue to make catch-up contributions as either pre-tax or Roth, depending on their standard elections.
- These rules will be included in the SECURE 2.0 plan amendment scheduled for 2026 for plans using the Alerus document. (For plans not on the Alerus document, contact your document provider.)

How Alerus Will Help

Alerus will support your plan's administration of the Roth catch-up requirement through the following actions:

- Request prior year FICA wages from the plan sponsor each January.
- Use that data to update the HPI statuses in the recordkeeping system for participants who meet the HPI definition.
- Provide a paper opt-out form to plan sponsors mid-2026. This form allows HPIs to decline catch-up contributions under the deemed Roth election. Alerus will not take action on or track paper forms. These are for employer use only to implement in their payroll system.
- Generate a monthly Roth Catch-up Report and notify plan sponsors when it is available. The report will show which participants are subject to the requirement and include their year-to-date deferrals by source.

Employer Roles and Responsibilities

Employers are responsible for ensuring plan operations align with the Roth catch-up requirement. Key responsibilities include:

- Confirm that your payroll provider has procedures in place to meet all plan obligations.
- Work with your payroll provider to identify any steps that require employer action. Establish how you will coordinate to meet plan requirements and maintain smooth administration.
- If needed, develop internal practices and procedures that address Roth catch-up compliance before any catch-up contributions are made by HPIs.
- Distribute the deemed Roth opt-out form to eligible participants and ensure elections are implemented accurately in the payroll system.
- Review the monthly Roth Catch-up Report:
    - Confirm that HPIs are correctly identified and reported.
    - Ensure pre-tax and Roth contribution amounts align with your payroll system.
    - Verify that HPIs do not have pre-tax catch-up contributions.
    - Implement any deemed Roth opt-out elections in coordination with your payroll provider.
- If an HPI has catch-up contributions submitted as pre-tax or has opted out and Roth contributions were made in error, notify your Alerus representative immediately. The employer is responsible for the cost of any correction, including applicable Alerus correction fees.

Payroll Provider Roles and Responsibilities

Payroll providers play a critical role in supporting plan compliance with the Roth catch-up requirement. Their responsibilities include:

- Identifying participants who meet the HPI definition using prior year FICA wages.
- Coordinating with the plan sponsor to provide accurate FICA wage data to Alerus.
- Implementing deemed Roth catch-up opt-out elections based on forms submitted by participants and provided by the plan sponsor.

FICA Wage Threshold

<table>
<tr><th>Participants At/Under (non-HPI)</th><th>Participants Over (HPI)</th></tr>
<tr><td></td><td>Roth Election Only</td></tr>
<tr><td rowspan="5">Continue sending pre-tax or Roth contributions based on participant’s election up to the IRS catch-up limit.</td><td>Continue sending Roth contributions based on participant’s election up to the catch-up limit.</td></tr>
<tr><td>Deemed Roth</td></tr>
<tr><td>■ Monitor pre-tax contributions.
■ Stop sending pre-tax contributions once the participant reaches the plan or IRS limit.
■ Start sending catch-up contributions as Roth up to the catch-up limit.
■ Restart pre-tax contributions every January based on the participant’s election.</td></tr>
<tr><td>Opt Out of Deemed Roth</td></tr>
<tr><td>■ Monitor pre-tax contributions.
■ Stop sending pre-tax contributions once the participant reaches the plan or IRS limit.
■ Do not send catch-up contributions (operate like they are not catch-up eligible.)
■ Restart pre-tax contributions each January based on the participant’s election.</td></tr>
</table>

Participant Experience

We’ve updated our process to support deemed Roth catch-up opt-out elections. Here’s how the process works:

- A new opt-out form will be available by mid-2026 for participants who meet the highly paid individual (HPI) definition. These participants must submit the form directly to their plan sponsor. No catch-up contributions should be made for someone in the remainder of the calendar year once they submit this form with an opt-out election.
- Participants who do not meet the HPI definition may continue making pre-tax or Roth catch-up contributions using the standard paper deferral election method.

For plans that do not adopt the deemed Roth catch-up election:

- Please talk to your Alerus representative, as the above-mentioned assistance and guidance do not apply if your plan does not adopt the deemed Roth catch-up election. In this situation, the plan sponsor is responsible for all administrative actions required to comply with the Roth catch-up requirements.
- Alerus and the payroll provider will not automatically convert catch-up contributions to Roth.
- Participants who meet the HPI definition are responsible for managing their own deferral elections to comply with the Roth catch-up requirement.
- These plans are not eligible to use the two new correction methods available under current regulations. Any ineligible pre-tax catch-up contributions must be corrected as excess contributions under the Employee Plans Compliance Resolution System (EPCRS).
- If applicable, these rules will be included in the SECURE 2.0 plan amendment scheduled for 2026 for plans using the Alerus document. (For plans not on the Alerus document, contact your document provider.)

Frequently Asked Questions

1. **Does my plan need to be amended for the Roth catch-up provision?**
   If your plan uses the Alerus document, the Roth catch-up provision will be included in the SECURE 2.0 amendment scheduled for 2026. However, plans must operate the new rule starting January 1, 2026.

2. **How does this impact plans that do not allow catch-up contributions?**
   This provision does not apply to plans that do not allow catch-up contributions.

3. **Do plans need to add Roth contributions?**
   No, adding Roth contributions is optional. However, if your plan does not offer Roth, participants who meet the HPI definition will not be eligible to make catch-up contributions. Plan sponsors and payroll providers must track these individuals to prevent ineligible contributions.

4. **Can a plan add Roth, but only allow participants subject to the Roth catch-up requirement to make Roth contributions?**
   No. If your plan allows Roth contributions, it must be available to all participants — not only those subject to the Roth catch-up requirement.

5. **How can a plan add Roth contributions and when does it need to be done?**
   To add Roth contributions, the plan document must be amended by December 31, 2026. However, if you plan to implement Roth in 2026, your recordkeeping system must be updated before any Roth contributions are submitted. Contact your Alerus representative early to notify Alerus that you wish to do so — setup takes at least two weeks.

6. **Can the plan require that all catch-up contributions be made on a Roth basis, regardless of the FICA wages from the prior year?**
   No. Only participants who exceed the FICA wage limit (HPIs) are required to make catch-up contributions as Roth. Plans cannot apply this rule to all participants.

7. **If a participant makes both pre-tax and Roth contributions, does it matter when the Roth contributions are made during the year to count toward the Roth catch-up requirement?**
   No. Roth contributions made at any point during the year can count toward the Roth catch-up requirement.

8. **Does this rule apply to “special” 403(b) catch-up contributions?**
   No. The Roth catch-up rule applies only to standard age 50+ catch-up contributions. It does not apply to “special” 403(b) catch-up contributions.

9. **Why does the plan sponsor, in coordination with their payroll provider, need to provide the FICA wages to Alerus?**
   Payroll is the source of record for wage data and monitors catch-up eligibility and contribution limits. Plan sponsors must verify prior year wages to determine which participants meet the HPI definition and are subject to the Roth catch-up requirement.

10. **What is the definition of FICA wages for the Roth catch-up contribution provision?**
    For Roth catch-up purposes, FICA wages are defined under Internal Revenue Code Section 3121(a). This refers to Social Security wages reported in box 3 of the W-2.

11. **Could the FICA wage limit change each year?**
    Yes. The FICA wage limit is indexed annually and will likely change from year to year.

12. **How does the FICA wage limit affect employees who change employers?**
    Only wages earned from the employer sponsoring the plan in the prior calendar year count toward HPI status. If an employee changes employers, wages from their previous employer are generally not considered.

13. **Are there exceptions to how the FICA wage limit works in certain situations (controlled group, common paymaster, corporate transactions)?**
    In certain situations where employers are in a controlled group, work with a common paymaster, or have undergone certain corporate transactions, plans may choose to aggregate FICA wages across employers to determine HPI status. If aggregation is used, wages from all related employers are combined. If not, each employer is evaluated separately. The plan document must specify the approach and apply it consistently.

14. **What if a participant is self-employed and does not earn FICA wages?**
    Self-employed participants who do not earn FICA wages are not subject to the Roth catch-up requirement. Eligibility is based on FICA wages reported in box 3 of the W-2.

15. **How does this impact MEPs/PEPs?**
    For multiple employer plans (MEPs) and pooled employer plans (PEPs), highly paid individuals are determined using FICA wages from the prior calendar year for each participating employer. The same rules apply as for single employer plans, based on the wages from the employer sponsoring the plan. Unless one of the exceptions discussed in FAQ 13 apply, wages are not aggregated among participating employers in the MEP or PEP.

16. **What if none of our employees exceed the FICA wage limit?**
    If no employees exceed the FICA wage limit in the prior calendar year, then there are no HPIs who must adhere to the Roth catch-up requirements.

17. **Can FICA wages be included in the contribution submission files?**
    No. FICA wages are not currently included in contribution submission files. Alerus is continuing to evaluate this process as more payroll data becomes available.

18. **Will Alerus catch if pre-tax catch-up contributions are submitted for participants who must make their catch-up on a Roth basis?**
    No. Alerus does not monitor contribution limits when processing submissions. Plan sponsors and payroll providers are responsible for ensuring that all catch-up contributions for HPIs are submitted as Roth. To support this, Alerus will provide a monthly Roth Catch-up Report showing:
    - Which participants are subject to the requirement (HPI) based on received wage data
    - Year-to-date deferrals by source
    - Any deemed Roth opt-out elections submitted online, if applicable

19. How do these changes impact plans with payroll integration?

There are no changes to the 180 or 360 payroll integration procedures.

- Alerus will continue to process contribution submissions as received.
- For standard online deferral rate elections, Alerus will continue to transmit those changes in the same method they do today.
- If an HPI opts out of Roth catch-up contributions, Alerus will report that election in the monthly Roth Catch-up Report. Plan sponsors are responsible for retrieving the report and coordinating with their payroll provider to stop catch-up contributions.

20. How does this affect a plan with an off-calendar (fiscal) plan year?

Employee deferral limits are based on the calendar (taxable) year, regardless of the plan year.

If a participant's FICA wages from the employer sponsoring the plan for calendar year 2025 exceed the FICA wage threshold, the participant is subject to the rule for calendar year 2026, and any catch-up contributions that the participant makes under the plan during 2026 (which will span two different plan years) must be designated Roth contributions.

For example, for the plan year beginning July 1, 2026, any catch-up contributions that a participant makes under the plan during the first half of that plan year must be designated Roth contributions, as well as any catch-up contributions in the second half of the plan year if the participant had wages exceeding the FICA wage threshold in 2026.

21. How do the new rules affect reclassifying catch-up contributions from ADP or 415 failures?

- If an HPI has elective deferrals reclassified as catch-up contributions to correct ADP or 415 testing failures, those contributions must be Roth. As a result, plans may have more refunds than in previous years.
- If the original contributions were pre-tax, they do not meet the Roth requirement and must be corrected. The IRS allows two correction methods:
  - **Refund method**: Return the pre-tax catch-up amount (plus earnings or losses) to the participant.
  - **In-plan Roth rollover**: Move the amount (adjusted for earnings or losses) to the participant's Roth account and report the rollover on Form 1099-R. (Only available to plans that adopt the deemed Roth election.)
- Plans without a Roth feature cannot accept catch-up contributions from HPIs, including those reclassified for testing purposes.
- Corrections must be completed by the applicable ADP or 415 refund deadlines. Late corrections may result in excise taxes or other IRS penalties.

22. What if a participant subject to the requirement makes pre-tax catch-up contributions? How does this get corrected?

The correction rules depend on the plan provisions.

- All plans may utilize the distribution method under EPCRS.
- Plans that adopt a deemed Roth election and have practices and procedures in place to comply with the rule are also eligible to use the 2 new correction methods:
  - **W-2 method**: Transfer the catch-up amount (adjusted for earnings or losses) from the pre-tax account to the Roth account. Report the original contribution amount (not adjusted) on the participant's W-2 for the year the deferral was excluded from income. This method must be completed before the W-2 is filed or furnished.

- **In-plan Roth rollover**: Move the catch-up amount (adjusted for earnings or losses) to the Roth account and report the rollover on Form 1099-R for the year of the rollover. This method does not require a formal in-plan Roth conversion provision allowing these conversions generally.

23. Does the plan have to allow in-plan Roth conversions generally to use the new in-plan Roth rollover correction method?

No. Plans that adopt the deemed Roth election can use the in-plan Roth rollover correction method even if they do not otherwise allow participant-elected Roth conversions. This is a correction method, not a participant option.

24. What if my outside plan document does not use the deemed Roth catch-up election?

Contact your Alerus representative to review how this affects your plan's administration and determine next steps.