

RIC 457/401A RESOURCE BANK

October 202

The Resource Bank is to help you maintain compliance with IRS 457 plan regulations. Please take note of the following plan updates and reminders. For more program information, visit the [RIC website](#).

2026 ROTH CHANGE 1/1/2026

In previous editions of the Resource Bank, we explained the upcoming federal changes to Roth accounts. This new federal law is set to begin on **January 1, 2026**, and applies to anyone turning age 50 or older in 2026, and whose 2025 FICA wages exceed \$145,000. Any person in this group may contribute on a pretax basis up to the regular limit. Any contributions over the regular limit must be made on a Roth basis.

YOUR TAKEAWAYS

1. Add Roth deductions as an option in your payroll system as of 1/1/2026.
2. Test your payroll system, ensuring your software is built to automatically change the election.
3. If your payroll system will not make this change, monitor contributions for anyone who meets the Roth requirement.
4. Once the maximum is reached, change the election to Roth.

Please feel free to share this article with your staff to remind them of the benefits of participation and the importance of saving.

HARVESTING FOR RETIREMENT?

As the fall season approaches, it's a time to reflect on the year's blessings and celebrate the fruits of our hard work—much like a successful harvest season. Just as farmers plant seeds and nurture their crops until they're ready to harvest, your retirement savings grow and mature over time. When retirement arrives, it's your turn to enjoy the results and decide your next steps.

With the Retirement Investors' Club (RIC), you have flexible options—you can stay invested, take cash payments, roll funds into another retirement account, or purchase IPERS service credits.

Visit the [RIC website](#) today to explore your choices and keep planting the seeds for your financial future—and your own retirement harvest!



2026 IRS LIMITS

The IRS has not published the 2026 limits yet. We will send you this information as soon as it is available.

RIC PARTICIPANTS WHO LEAVE EMPLOYMENT

Please email ric@iowa.gov if an employee who has contributed to RIC leaves employment. We need to update our system and give this information to the person's investment provider. Providers won't allow participants to access their funds if the term date is not on file.

FINANCIAL EDUCATION

RIC providers and investment consultants periodically host webcasts that may interest your staff.

Please share a link to our [Financial Webinar Calendar](#) with them, and consider adding it to your employee benefits or wellness page.

RIC WANTS TO HEAR FROM YOU

Please submit your questions to RIC@iowa.gov. We will respond to you directly and if the subject of discussion is beneficial for all employers, we will share the answers in our next RIC Resource Bank.