RIC 457/401A RESOURCE BANK

OCTOBER 2026

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**.



IMPORTANT ADMINISTRATIVE REMINDERS

To help us keep employee accounts up to date and running smoothly, please keep the following operational reminders in mind:

- **Submitting Forms:** Send all completed RIC Account Forms directly to the RIC team via fax at **515-281-5102** or email at **ric@das.iowa.gov**.
- **Employee Departures:** If a RIC participant leaves employment, please email their termination date to **ric@das.iowa.gov**.
- **Participant Updates:** Notify the RIC team promptly of any name or address changes for active participants.
- **New Hire Onboarding:** Be sure to provide the **RIC At-A-Glance** document (available on your employer page) to all new hires during onboarding.

COMPLIANCE REMINDER

SECURE 2.0 Mandatory Roth Catch-Up Rule

- Under SECURE 2.0, **high earners age 50 or older** can no longer make 50+ or Age 60-63 catch-up contributions on a pretax basis.
- The IRS defines high earners as someone who earned more than $150,000 in OASDI wages in 2025.
- High earners may contribute up to $24,500 on a pretax basis. After that, if they wish to contribute, they must do so on a Roth basis for the rest of the calendar year.
- This requirement does not apply to high earners who are using the **3-year catch-up**. They may contribute up to $49,000 on a pretax basis.

Employer Monitoring Is Critical - Action Items for Plan Sponsors

1. **Audit 2025 Payroll Data:** If you haven't already done so, run a 2025 wage report to identify all high earners.

2. **Issue Participant Communications:** Notify affected high earners in advance so they can anticipate changes to their net take-home pay.

3. **Review YTD Contributions**: Ensure that no one has already gone over the pretax limit of $24,500. If so, email **ric@das.iowa.gov** immediately.

4. **Change Deductions:** Notify any participants about to go over the pretax limit that you will be changing their deductions to Roth. Give them a window of time to request that you stop their contributions entirely, rather than switching them to Roth.

PLAN DOCUMENTS UPDATES

What you Need to Know

Our plan documents have recently been revised! You can view the full documents anytime on the **Forms & Documents** webpage.

Summary of Key Changes:

- **Beneficiary Alignment:** If a participant has more than one account with a provider and forgets to designate a beneficiary for one of the accounts, the providers can now apply the listed beneficiary across all RIC accounts with that provider.

- **Rollover Buckets for Terminated Staff:** Terminated employees may request to move funds into rollover buckets for greater liquidity. This may be helpful to former employees considering returning to your employment or becoming employed by another employer in the RIC 457 plan. A former employee wishing to do so must request the rollover before rehire.

- **Employer Roth Contributions:** Employers who offer an employer contribution may now choose to offer it as a Roth contribution. In the past, employer contributions were required to be pretax. If you decide to make this option available, please let us know. We can work with you on implementation details. One thing to note - employees who wish to have employer contributions made on a Roth basis will be taxed on the contribution amount through their annual income tax filing.



2027 IRS LIMITS

The IRS has not published the 2027 limits yet. We will send you this information as soon as it is available.

DAS TEAM EMAIL ADDRESSES HAVE CHANGED

As of May 4th, the DAS team has transitioned to a new email domain. To ensure your messages reach us without delay, please update your contact lists with our new email addresses:

- ric@das.iowa.gov
- jennifer.sandusky@das.iowa.gov
- terri.shook@das.iowa.gov
- carol.devries@das.iowa.gov

Delete the old contacts from your system to prevent any bounced emails.

Note: Please add our new domain (**@das.iowa.gov**) to your organization's firewall/safe-sender list.

RESOURCES TO SHARE WITH EMPLOYEES

Here are ready-to-use resources you can share directly with your employees to help them start planning for retirement. Feel free to copy/paste into an employee communication.

RIC RESOURCES

As an employee, you have access to a 457 retirement savings plan through the Retirement Investors' Club (RIC). Because IPERS benefits do not include cost-of-living adjustments, we strongly encourage you to consider using the RIC 457 plan to help protect your retirement savings against inflation.

RIC At-A-Glance - Provides an easy-to-read summary of the RIC 457 plan, including participation benefits, provider options, enrollment details, and available investments.

Employer Plan Details Specific information about our plan features, including loans and other account options.

RIC Financial Webinar Calendar – Your resources for live webcasts from our RIC providers and investment consultants to help guide your savings journey.

RIC WANTS TO HEAR FROM YOU

Please submit your questions to **ric@das.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.

