

RIC 457/401A RESOURCE BANK

December 2025

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 IRS CONTRIBUTION LIMITS

See the [RIC website](#) for more information

Employee	457 IRS MAXIMUM CONTRIBUTION LIMITS	2026
Regular	Lesser of 100% of compensation or:	\$24,500
Age 50+	Regular limit + \$8,000 if age 50+	\$32,500
Age 60 – 63	Regular limit + \$11,250 if ages 60 – 63	\$35,750
3 Year Catch-Up	Regular limit + missed contributions up to:	\$49,000

EMPLOYER'S RESPONSIBILITY

- You must ensure that each participant's payroll deductions do not exceed the maximum limits. Please review all deductions for employees who contribute at high levels to make sure no one goes over the limit.
- On January 1, 2026, the new federal law for Roth requirements is set to begin. It affects anyone turning age 50 or older in 2026, and whose 2025 FICA wages exceed \$150,000. 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.
- If you have an eligible employee who wishes to use the 3-Year Catch-Up Limit, please contact RIC.
- If you hired any new employees and they contributed to a previous employer's 457 account in the same year, remind them that they are responsible for ensuring that maximum contribution limits are not breached. You may wish to ask them what they contributed at their previous employer to help them make sure they will not over-contribute.

REMINDERS

Please remember to perform the following activities:

- Send all RIC Account Forms to RIC at 515-281-5102 (fax) or ric@iowa.gov.
- If a RIC participant leaves employment, email the term date to ric@iowa.gov.
- Notify the RIC Team of name or address changes for RIC participants.
- Give the RIC At-A-Glance (found on your RIC page) to all new hires for their review.



RETIREMENT YEAR-END CHECKUP

(Here's an article you can copy/paste to share with your employees to encourage them to start thinking about retirement savings now.)

Retirement Year-End Check-Up

As we approach a new year, it brings a fresh sense of hope and opportunity, making it a perfect time to reflect on our goals and aspirations for the future. One of the most significant milestones in life is retirement; however, achieving the retirement you desire requires thoughtful planning and preparation.

Completing a year-end check-up can help you get off to a good start for 2026.

Here are a few items to get you started:

Review your contributions

- Are you maximizing your savings? Have you considered increasing your contributions?

Review your investment choices

- The funds you are investing in – are you comfortable with the amount of risk you are taking?
- Log in to your [RIC account](#) to review

Check account details

- Are your beneficiaries and home address accurate?

Tax planning

- Pre-tax vs. Roth contributions: Decide whether you want to adjust your contribution type for 2026.

Plan and project for retirement

- Check your current account balances and savings rate: Will this be enough for your future?
- Use provider tools and calculators to help decide how much you should be saving.
- You may also meet with an RIC advisor to review your account and update your strategy for the year ahead.

Attend a Financial Webinar

- RIC providers and investment consultants periodically host webcasts that may be of interest to you. Information about upcoming sessions and dates may be found on the [Financial Webinar Calendar](#).

During 2026, take the time to assess your retirement readiness, consider your financial health, lifestyle desires, and personal aspirations. Whether retirement is just around the corner or years away, let the Retirement Investors' Club (RIC) help you prepare for this next chapter. Make 2026 the year you take charge of your retirement dreams! Visit the [RIC Website](#) today!



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.