

SECURE 2.0 Enhancements for HR Plus Frequently Asked Questions

Background

In January 2026, we introduced a set of enhancements to the TriNet HR Plus Payroll system to help organizations navigate new compliance requirements under SECURE 2.0 Section 603.

1. Retirement plan participants in a 401(k), 403(b) or 457(b) plan who are eligible to contribute catch-up contributions and who earned more than \$150,000 in FICA wages in 2025 (with the same employer), must make their catch-up contributions as after-tax Roth contributions. Catch-up contributions for these individuals cannot be made on a pre-tax basis.

Beginning April 2026, additional updates strengthen our payroll experience, helping to ensure alignment with updated IRS rules for Roth contributions, SIMPLE IRAs, and special catch-up limits.

1. **Roth 457(b) Support** - We're expanding retirement plan payroll capabilities with a new Roth 457(b) deduction code. With this update, employers can offer designated Roth 457(b) contributions in full compliance with SECURE 2.0. Employees now have greater flexibility in how they save for retirement, while administrators benefit from a simplified setup process and automated post tax processing.
2. **High Earner Status Captured During Onboarding** - To support compliance from their first payroll run for new customers, the company's onboarding workflow includes fields to capture prior year high earner FICA wage data for catch-up eligible employees. This prevents incorrect pre-tax catchup contributions when Roth contributions are required under SECURE 2.0. HR administrators and Main Company administrators can update high earner status for employees, new hires, and rehires.
3. **Auto-Conversion of Pre-Tax Contributions to Roth Accounts** - Customers can reach out to TriNet Support to enable an Auto-Adjustment Setting so that high earner employees see clear indicators when their contributions are processed as Roth due to Secure 2.0 requirements. This gives high earners the transparency they need to understand how their contributions are taxed. Only Payroll administrators and Main Company administrators have permission to request this setting.
4. **SIMPLE IRA Limit Updates for 2026** - We've updated SIMPLE IRA contribution limits in accordance with SECURE 2.0. In 2026, SIMPLE contribution limits increase to **\$17,000**, with catchup contributions (age 50+) increasing to **\$4,000**.

Frequently Asked Questions

Q1. What is the Secure 2.0 Act?

A1. The SECURE 2.0 Act is federal legislation designed to strengthen retirement savings. Section 603 changes how certain higher-earning employees make catch-up contributions to certain retirement plans, specifically 401(k), 403(b) and 457(b).

Q2. What is a catch-up contribution?

A2. A catch-up contribution is an additional amount employees age 50 or older can contribute to their retirement plan beyond the standard IRS contribution limit. Employees aged 60-63 can make additional, enhanced catch-up contributions.

Q3. What's changing in 2026?

A3. 2026 Secure 2.0 Section 603 updates include:

- If you earned more than \$150,000 in FICA wages (as indexed) in the prior year with the same employer, any catch-up contributions you make must go to a Roth (post-tax) account. Note, the required earned amount may change year over year.
- Updated SIMPLE IRA limits for 2026:
 - \$17,000 employee contribution limit
 - \$4,000 catch-up contribution limit
- Standard 2026 limits also supported:
 - Standard elective deferral = **\$24,500**
 - Regular age 50-59 and 64+ = **\$8,000**
 - **Section 109** special catchup (ages 60–63) = **\$11,250**
 - **Total allowed (ages 60–63) = \$35,750** (\$24,500+ \$11,250)

2026 Secure 2.0 Section 109 updates include:

- Special catchup limit of **\$11,250** supported for ages 60–63 in 2026.

Q4. What enhancements is TriNet making?

A4. We will be making the following enhancements to the Payroll system in our HR Plus platform to support deemed Roth elections and to help you meet the new Secure 2.0 Section 603 requirements:

- The Payroll system will identify to your company's Payroll Admin of impacted employees (those who made more than \$150,000 in FICA wages with the same company for payroll processed in the platform in 2025) who need to make their catch-up contributions on a Roth (post-tax) basis.
- The Payroll system will prevent impacted employees from making pre-tax catch-up contributions to their 401(k), 403(b) or 457(b) retirement plans.
- There are three scenarios at that point:
 - **If a Roth retirement account is not set up**, the Payroll system will not process the contributions and will prompt the admin to either reduce the contribution amounts for impacted employees and create a post-tax (Roth) account with auto-conversion enabled for future payrolls.

- **If a Roth retirement account is set up and auto-conversion is enabled**, the Payroll system will convert the impacted employee's contribution to a Roth contribution.
- **If a Roth retirement account is set up but not enabled for auto-conversion**, the Payroll system will not process the contributions and will prompt the admin to reduce the contribution amounts for impacted employees and create a Roth account with auto conversion enabled for future payrolls.
- The Payroll system will support a Roth 457(b) deduction code for high wage earner employees, following the standard deduction code setup flow.
- The Company onboarding flow will include a required question to capture prior-year wage history for catch-up-eligible employees.
 - Admins can select Yes, No, or I don't know for prior-year FICA wages above \$150,000 for every employee
 - High Earner status is stored at the employee level for use in payroll processing throughout the year.
 - For employees with unknown data, the Payroll system will allow pre-tax catch-up contributions until updated.
 - Main Company administrators can work directly with TriNet Support to enable an auto-adjustment feature on behalf of their organization.
- Customers' payroll administrators and main company administrators can reach out to TriNet Support to enable an Auto-Adjustment Setting so that high-earner employee contributions to 401(k), 403(b) or 457(b) retirement plans auto-convert to Roth (after-tax) once the pre-tax limit is reached. TriNet Support will enable the auto-adjustment feature in Console on behalf of their organization. The Payroll system will automatically apply the correct limit based on the employees age in support of an enhanced catch-up rule that allows employees ages 60–63 to contribute an enhanced catch-up amount toward their 401(k), 403(b) or 457(b) plan.
 - Special catchup limit of **\$11,250** supported for ages 60–63 in 2026.
 - Standard 2026 limits also supported:
 - Standard elective deferral = **\$24,500**
 - Regular age 50+ catchup = **\$8,000**
 - **Section 109** special catchup (ages 60–63) = **\$11,250**
 - **Total allowed (ages 60–63) = \$35,750** (\$24,500+ \$11,250)

Q5. In response to this new requirement, my company is adding Roth contributions to our retirement plan. Do I need to change the Payroll system configuration for our plan?

A5. Yes. All clients have self-serve access to add Earnings, Deductions and Contributions, including a feature on how to enable the auto-conversion feature. If you have questions regarding an integration you have for retirement or if your run into any issues, reach out to your dedicated payroll support or our [On Demand Support Team](#). Roth accounts established by January 1, 2026, will be enabled for auto-conversion by TriNet.

- To add a deduction in the Payroll system, review this [Help Center article](#).

Q6. What if my employee earns less than \$150,000?

A6. If your employee's 2025 FICA wages is \$150,000 or less, they can continue to make pre-tax catch-up contributions, depending on your plan options.

Q7. Where can I get more information?

A7. You can visit the [IRS website](#) or contact your HR or Payroll department for information about how Secure 2.0 affects your contributions.

Q8. How and where can the auto-adjustment setting for Auto-Conversion of Pre-Tax Contributions to Roth Accounts be enabled?

A8. Payroll administrators or Main Company administrators can enable the auto-adjustment setting by contacting TriNet Support. Once enabled, the setting automatically flags pre-tax retirement contributions that must be processed as Roth contributions due to SECURE 2.0 high earner requirements. This helps affected employees see clear indicators explaining how their contributions are being taxed.

Q9. Who can request or enable the auto-adjustment setting for Auto-Conversion of Pre-Tax Contributions to Roth Accounts?

A9. Only Payroll administrators and Main Company administrators have permission to request this setting. These roles can work directly with TriNet Support to enable the auto-adjustment feature in Console on behalf of their organization.

Q10. When are these limits applicable?

A10. These limits apply to the 2026 calendar year. Contribution limits are set on an annual basis and may change from year to year.

Q11. Are the same limits applicable for 2027?

A11. These limits are not guaranteed to remain the same for future years, including 2027. We will continue to monitor updates and keep you informed as new limits are announced.

Q12. What happens when a Roth retirement account is set up and auto-conversion is enabled?

A12. When a Roth retirement account is available for the employee and auto-conversion is enabled, the Payroll system automatically converts the impacted employee contribution amount to a Roth contribution. This allows contributions to remain within plan limits while preserving the employee's elected savings amount.

Q13. For a 401(k), where is the excess contribution moved during auto-conversion?

A13. If an employee's 401(k) pre-tax contribution meets applicable limits and Roth auto-conversion is enabled, the excess amount is redirected to the Roth 401(k) deduction category.

Q14. For a 403(b), where is the excess contribution moved during auto-conversion?

A14. If an employee's 403(b) pre-tax contribution meets allowable limits and Roth auto-conversion is enabled, the Payroll system automatically moves the excess amount to the Roth 403(b) deduction category.

Q15. For a 457(b), where is the excess contribution moved during auto-conversion?

A15. When a 457(b) pre-tax contribution meets the plan limits and Roth auto-conversion is enabled, the excess amount is converted and allocated to the Roth 457(b) deduction category.

Q16. How can administrators validate that auto-conversion occurred correctly?

A16. Payroll administrators can validate Roth auto-conversions through a Payroll Report, which provides a breakdown of amounts by deduction category.