

## BOOST YOUR RETIREMENT SAVINGS WITH CATCH-UP CONTRIBUTIONS

# Age 50+ and looking to save more for retirement?

Research from Principal® suggests you may need to save 15% of your eligible pay, including employer contributions, throughout your career to maintain your current lifestyle in retirement.<sup>1</sup>

Of course, saving 15% over an entire career isn't always possible. If you're like many people, you may want to make up for lost time—with **catch-up contributions**.

## What are catch-up contributions?

Each year, the IRS limits the amount that people can save in a qualified retirement plan. For those under age 50, the current limit is \$24,500 (for 2026).<sup>2</sup>

But **if you're 50+**, the limits are higher, allowing you to “catch-up” on any savings you might have missed when you were younger:<sup>3</sup>

### AGE 50-59 (STANDARD CATCH-UP CONTRIBUTIONS)

\$24,500	+	\$8,000	→	=	\$32,500
2026 401(k)/403(b) contribution limit <sup>4</sup>		2026 catch-up contribution limit			Total allowed contributions

### AGE 60-63 (SUPER CATCH-UP CONTRIBUTIONS)

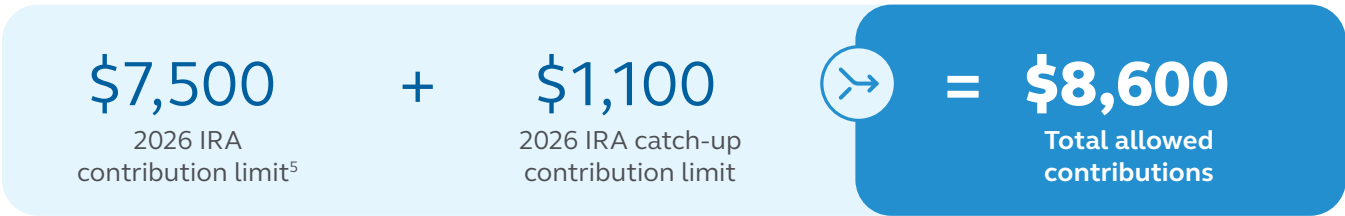
\$24,500	+	\$11,250	→	=	\$35,750
2026 401(k)/403(b) contribution limit <sup>4</sup>		2026 catch-up contribution limit			Total allowed contributions

### AGE 64+ (STANDARD CATCH-UP CONTRIBUTION RESUMES)

\$24,500	+	\$8,000	→	=	\$32,500
2026 401(k)/403(b) contribution limit <sup>4</sup>		2026 catch-up contribution limit			Total allowed contributions

## Saving in an IRA?

Catch-up limits apply to these important supplemental accounts as well:



Scan the QR code or visit [principal.com/contributions](https://principal.com/contributions) to begin making catch-up contributions.



<sup>1</sup> Based on analysis conducted by the Principal Financial Group®, October 2024. The estimate assumes a 40-year span of accumulating savings and the following facts: retirement at age 65; a 15% individual rate including employer contributions; Social Security providing 40 percent replacement of income: 4.5% withdrawal of retirement savings; 6 percent annual market returns; 2 percent annual inflation; and 3 percent annual wage growth over 40 years in the workforce. This estimate is based on a goal of replacing about 80 percent of salary. The assumed rate of return for the analysis is hypothetical and does not guarantee any future returns nor represent the return of any particular investment. Contributions do not take into account the impact of taxes on pre-tax distributions. Individual results will vary. Participants should regularly review their savings progress and post-retirement needs as savings depends on many factors, including lifestyle, social security replacement, and retirement age.

Replacement factor of 80% is based on our industry experience and GAO Retirement Security Report to Congressional requestors. The estimated average total spending for post-retirement households was about 77 percent of the spending levels for pre-retirement households. GAO, 2013 CE Data; 16-242, Retirement Replacement Rates.

<sup>2</sup> Internal Revenue Service limits as indexed for the 2026 calendar year. For IRS contribution limits in future years, go to IRS.gov. Catch-up and super catch-up contributions are not allowed in all retirement plans.

<sup>3</sup> Effective Jan. 1, 2026, high-income earners with FICA wages over \$150,000 in the prior year must make catch-up contributions as Roth (after-tax) contributions. If a retirement plan doesn't offer Roth contributions, high-income earners won't be able to make catch-up contributions.

<sup>4</sup> Some retirement plans cap the limit at a lower amount, so make sure you look into the plan's details.

<sup>5</sup> Deductibility of contributions to an IRA may be limited by participation in other retirement plans.

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