# Making Catch-Up Contributions

This playbook describes the process for individuals over 50 to make catch-up contributions to their 401(k)s and IRAs. It outlines the steps required to take advantage of these higher contribution limits to enhance retirement savings.

# Step 1: Verify Eligibility

Ensure you are eligible for catch-up contributions by confirming that you are age 50 or older in the year for which you want to make the catch-up contributions.

#### Step 2: Review Limits

Familiarize yourself with the current year's contribution limits for 401(k)s and IRAs from IRS guidelines. Note that these limits can change annually.

#### Step 3: Check Plan Rules

Contact your 401(k) plan administrator or IRA custodian to verify that your plan allows for catch-up contributions and understand any specific rules or procedures they may have.

# Step 4: Determine Amount

Decide on the amount you want to contribute as a catch-up. Remember it should be within the legal limits set by the IRS and what you can financially manage.

#### Step 5: Adjust Payroll

If making catch-up contributions to a 401(k), coordinate with your employer to adjust your payroll deductions accordingly to account for the higher contribution amount.

#### Step 6: Make Contributions

Proceed to make the additional catch-up contributions either through payroll deductions for a 401(k) or by funding your IRA through your chosen financial institution.

## **Step 7: Monitor Contributions**

Keep track of your contributions throughout the year to ensure you are on target and do not exceed the annual catch-up contribution limit.

# **General Notes**

#### Tax Considerations

Consult with a tax advisor to understand how catch-up contributions may affect your tax situation, particularly if you're making non-deductible IRA contributions.

# **Timing**

Be aware of the deadline for making contributions for the tax year, which is usually April 15th of the following year, but always check current year deadlines.

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