



Thread + isolved's Response to Roth Catch-Up Contributions

At Thread, we're committed to adapting our system to every stage of SECURE 2.0 implementation. Our goal is to keep our clients compliant and supported as these new provisions take effect, and to do so in a way that minimizes administrative burden and maximizes clarity.

Tracking employees earning \$145,000+ and turning 50+

- isolved is actively developing functionality to identify employees who both exceed the \$145,000 FICA wage threshold and reach age 50 or older — the group impacted by the new Roth catch-up rule under Section 603.
- That enhancement is part of our Q4 2025 release plan. Until then, employers can use standard reporting within isolved to identify affected employees manually.

Automatic conversion of deferrals to Roth after the 402(g) limit

- Automatic conversion of catch-up contributions from pre-tax to Roth for high earners is not yet active.
- isolved's Section 603 update — scheduled for Q4 2025 — will introduce this capability to ensure compliance with the Roth catch-up requirement beginning in 2026.

Communication to employers for qualifying employees


- Between now and the Section 603 release, isolved is providing detailed step-by-step guidance through isolved University and our Secure 2.0 resources.
- These materials walk employers through identifying and handling high-wage earners manually until the new automation launches.

General communication to payroll clients who sponsor a retirement plan

- We're keeping clients informed through continuous product updates, partner communications, and dedicated Secure 2.0 documentation available within isolved University.
- When Section 603 goes live in Q4, those materials will expand to include configuration steps and readiness guidance.

General communication to qualifying employees

- At this stage, our communications are focused on employers and plan sponsors.
- Employee-facing notices will be supported once the Section 603 functionality launches — allowing plan sponsors to share accurate, system-supported guidance with impacted participants.

 While isolved builds the technology to handle these legislative changes, Thread stands beside our clients as their service partner. What makes us different from the large national providers is that our clients have direct access to a dedicated team who guides them through updates like this — no ticket queues, no one-size-fits-all scripts.

We make sure compliance changes like Catch-Up as Roth are seamless for both employers and employees.