

## Coming Jan. 1: Changes to Your Retirement Savings Plan

Because you're **turning 50 or older in 2026**, we want to make sure you are aware of **some changes to your options for retirement savings that will take effect Jan. 1** and impact how you save through the Memorial Herman Retirement Savings Plans.

**Background:** When you turn 50, you become eligible to make [catch-up contributions](#) to your retirement savings plan. These catch-up contributions allow you to funnel an extra portion of your income toward your retirement and build your savings faster.

**What's happening Jan. 1:** The IRS has made updates for 2026 that will change the way employees are able to make catch-up contributions.

## 1. Designating catch-up contributions

- **Action needed:** If you wish to make any catch-up contributions to your retirement savings in 2026, you must [log into your Fidelity account](#) and **select the percentage** for your catch-up contribution.
- Retirement savings contributions above your regular limit\* will **no longer roll over automatically** into a catch-up contribution. Starting Jan. 1, 2026, you will need to log into Fidelity and **specify the percentage of your salary** you wish to devote to catch-up contributions.

| Contribution Amount                       |                                      |
|---|--------------------------------------|
| <b>EMPLOYEE VOLUNTARY 403B</b>            |                                      |
| Current Election                          | 19.00 %                              |
| Desired Election                          | <input type="text" value="19.00"/> % |
| (0.00% to 100.00% in increments of 0.50%) |                                      |
| <b>ROTH BASIC</b>                         |                                      |
| Current Election                          | 0.00 %                               |
| Desired Election                          | <input type="text" value="0.00"/> %  |
| (0.00% to 100.00% in increments of 0.50%) |                                      |
| <b>Contribution Amount Total</b>          |                                      |
| Current Election                          | 19.00 %                              |
| Desired Election                          | <input type="text" value="19.00"/> % |
| (0.00% to 100.00%)                        |                                      |
| <b>Catch-up Contribution Amount</b>       |                                      |
| <b>AGE 50 CATCH UP</b>                    |                                      |
| Current Election                          | 6.50 %                               |
| Desired Election                          | <input type="text" value="6.50"/> %  |
| (0.00% to 100.00% in increments of 0.50%) |                                      |
| <b>ROTH CATCH-UP</b>                      |                                      |
| Current Election                          | 0.00 %                               |
| Desired Election                          | <input type="text" value="0.00"/> %  |
| (0.00% to 100.00% in increments of 0.50%) |                                      |
| <b>Catch-Up Contribution Amount Total</b> |                                      |
| Current Election                          | 6.50 %                               |
| Desired Election                          | <input type="text" value="6.50"/> %  |
| (0.00% to 100.00%)                        |                                      |

Your changes will generally take effect in 1 to 2 pay periods depending upon when your employer makes your requested payroll change.

[Change Contribution Amount](#)

## 2. New Roth fund requirement

- If you earned **\$150,000 or more** at Memorial Hermann in 2025, your catch-up contributions in 2026 must be invested as a **Roth contribution**.

- Roth contributions are on an after-tax basis. This change means you'll pay taxes upfront on the catch-up portion of your savings. (You will be able to withdraw these funds tax-free when you retire.)
- Your regular contributions to retirement won't be impacted by this rule; those can be made pre-tax. The only amount you'll have to invest as a Roth/after-tax contribution is the catch-up contribution.
- If you earned **less than \$150,000** at Memorial Hermann in 2025, the new requirement **does not apply** to you. You still have the option of making catch-up contributions pre-tax or after-tax.
- If your annual salary is \$150,000 or higher but you did not earn that amount at Memorial Hermann in 2025, the new requirement does not apply to you for 2026.

### What to do now:

Before the end of the year, [log into your Fidelity account](#) and assess what you're saving for retirement.

- If you wish to take advantage of catch-up contribution, decide what percentage of your salary you will designate in January.
- Prepare to make selections once the changes take effect on Jan. 1. The new options will become available in your Fidelity account on or before Monday, Dec. 29.

We'll send a reminder in early January to make sure you don't miss this opportunity to make decisions about your retirement savings. In the meantime, if you wish to speak with a Fidelity representative or set up a one-on-one meeting, call the Fidelity Retirement Service Center at 800.343.0860, Monday through Friday, 7:30 a.m.-11 p.m. CT.

\* Below are the IRS limits for retirement and catch-up contributions, depending on your age and income:

| <b>Compensation in 2025</b>                                    | <b>\$149,999 or less</b>                         | <b>\$150,000+</b>                          |
|--|--|--|
| Limit for retirement fund contributions                        | \$24,500<br>pre-tax or after-tax (Roth)          | \$24,500<br>pre-tax or after-tax (Roth)    |
| Limit for catch-up contributions<br>– ages 50 to 59, 64 and up | \$8,000<br>pre-tax or after-tax (Roth)           | \$8,000<br>after-tax (Roth) only           |
| Limit for catch-up contributions<br>– ages 60 to 63            | \$8,000 + \$3,250<br>pre-tax or after-tax (Roth) | \$8,000 + \$3,250<br>after-tax (Roth) only |