

BUSINESS IN 2025

WEEKLY WEBINAR SERIES



Your Host



Gabriel S. Oberfield

Member

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Today's Agenda

Gabe Oberfield – (12:00PM-12:05PM)

- Welcome and Agenda
- NYS Budget Discussion Begins to Take Shape

Hailey Trippany – (12:05PM-12:15PM)

- Plan Sponsors Must Address Roth Catch-Up Contribution Mandate by January 1

Samuel Wiles – (12:15PM-12:25PM)

- USDOL Issues Four New Opinion Letters

Michelle Piasecki – (12:25PM-12:30PM)

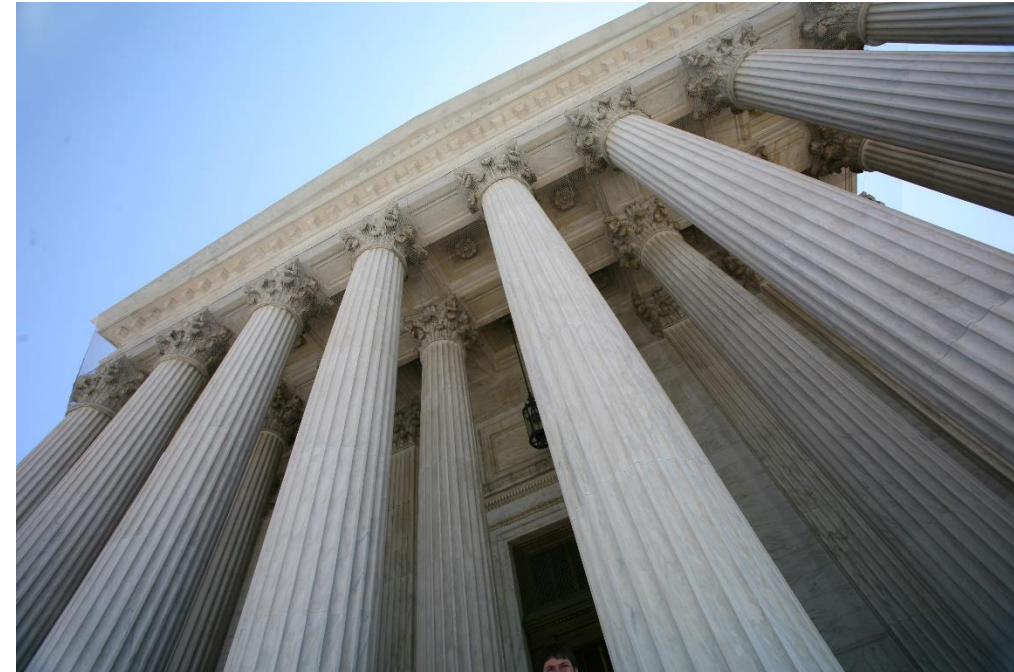
- Pipeline Project Progresses

G. Oberfield – (12:30PM)

- Questions / Wrap Up

What's New in Gov and Reg Affairs

- **Federal gov't shutdown continues**
 - HHS layoffs this past weekend
 - Telehealth and Medicare – an exemplar
- **NYS FY '27 budget begins to take shape**
 - Congestion pricing revenues meeting projections
 - Agencies asked by Gov. Hochul to provide budget requests – including focus on outdated regulations
 - Effects of OBBBA – including in the immediate on food security programming
 - Rural health submittal under OBBBA –
 - \$50B nationally – but will there be enough for NYS?



Plan Sponsors Must Address Roth Catch-Up Contribution Mandate by January 1



Hailey S. Trippany

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Overview

- Effective January 1, 2026, catch-up contributions for certain high-income earners must be made as Roth contributions.
- Applies to employees 50+ whose prior-year FICA wages exceed \$145,000 (indexed for inflation) in the prior year.
 - “Employer” for this purpose is the employee’s common-law employer.
- Applies to 401(k), 403(b), and governmental 457(b) plans.
- Plans that allow for catch-up contributions must have a Roth option for non-high earners.

“Deemed” Roth Election

- Plan sponsors “may” amend the plan to treat catch-up contributions for participants that exceed the deferral limit as a “deemed” Roth election.
- For administrative ease, a plan may provide that a deemed Roth election will apply once all deferrals (including Roth) reach an applicable limit (instead of accounting separately for Roth contributions).

Optional Wage Aggregation

- The final regulations add a wage aggregation option (must be included in plan) that applies to:
 - Employers considered to have a “common paymaster” ;
 - Members of the same controlled group (under 414(b), (c), (m), (o)); or
 - Predecessor/successor employers in the year of an asset purchase *if* the successor employer reports all wages on their Form W-2 for the purchase year.
- Does not apply to plans with multiple sponsoring employers that do not meet the criteria above.

Correction Options

- The IRS provides two correction methods to correct pre-tax contributions from “high earners” that should have been treated as Roth.
 - W-2: The excess contribution amount (not including earnings) is recategorized as Roth and reported on the Form W-2 (only available before initial Form W-2 is issued).
 - In-Plan Roth Rollover: The excess contributions (adjusted for gains and losses) are moved into the participant’s Roth account, the amounts are reported on a Form 1099-R for the year of the rollover.
- To employ these corrections, employers must adopt policies and procedures related to correction and amend the plan to allow for both the deemed Roth election and use of the correction methods.

Amendment Decisions for Plan Sponsors

- Will the plan allow for catch-up contributions (Note: plans must offer Roth catch-up for non-high earners)?
- Will the plan include the “deemed” Roth election? (recommended)
- Should the plan aggregate wages from related employers for the prior year wage determination?
- Will the plan opt to include Roth contributions made prior to the catch-up limit in determining when the deemed election applies?
- Will the plan include the correction methods (W-2 & In-Plan Rollover) included in the regs? (recommended)

Amendment Deadlines

Plan Type

Qualified Plans (401(k))

Non–Public School 403(b) Plans

Collectively Bargained Plans

Public School 403(b) Plans

Eligible Governmental Plans (incl. Gov. 457(b))

Amendment Deadline

December 31, 2026

December 31, 2026

December 31, 2028

December 31, 2029

December 31, 2029

USDOL Issues Four New Opinion Letters



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Pipeline Project Progresses



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Questions?



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Sexual Harassment Prevention Training

To combat harassment in the workplace, every New York State employer must provide harassment prevention training for all employees annually.

For more information on Bond's online sexual harassment training [click here](#) or email bondonline@bsk.com

Thank You

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It is not to be considered as legal advice.
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