The Mega Backdoor Roth Guide

> If your 401(k) plan allows it, the mega backdoor Roth can move far more into a Roth each year than any other route. The catch is the plan features it requires.

Most Roth strategies are limited to a few thousand dollars a year. The mega backdoor Roth can be an order of magnitude larger, moving tens of thousands into a Roth annually. It is not available to everyone, because it leans entirely on features your employer's 401(k) plan may or may not offer.

How it works

A 401(k) has two separate limits. There is the well-known cap on your own pre-tax or Roth contributions, and there is a much larger total limit on everything that can go into the account, including your contributions, the employer match, and after-tax contributions.

The mega backdoor fills the gap between those two limits with after-tax dollars, then converts that after-tax money to Roth, either through an in-plan Roth conversion or an in-service withdrawal to a Roth IRA. Because the after-tax money was already taxed, the conversion moves it into tax-free growth with little or no additional tax.

A worked example you can reproduce

For 2026 the total addition limit is 72,000 dollars and the employee elective deferral limit is 24,500 dollars. Suppose you max your own contributions at 24,500 dollars and your employer adds a 10,000 dollar match. That is 34,500 dollars of the 72,000 dollar total used.

That leaves 37,500 dollars of room for after-tax contributions, which you then convert to Roth. That is far beyond the few thousand dollars a regular or backdoor Roth allows. The Mega Backdoor Roth Calculator computes your exact capacity from your deferral and match.

What your plan must allow

This only works if your 401(k) plan permits after-tax contributions beyond the normal limit, and also allows either in-plan Roth conversions or in-service withdrawals. Many plans do not, and there is no workaround if the features are missing. Your plan administrator or summary plan description will tell you.

Timing also matters. Converting the after-tax money to Roth promptly minimizes any taxable earnings that accrue before the conversion. Left too long, those earnings become taxable when you convert, so frequent or automatic conversions are ideal where the plan offers them.

> **Key takeaway.** The mega backdoor Roth fills the gap up to the total 401(k) limit with after-tax dollars, then converts them to Roth. It only works if your plan allows the required features.

Assumptions

- The strategy requires a 401(k) that allows after-tax contributions and either in-plan Roth conversions or in-service withdrawals.
- The dollar limits shown are 2026 figures and change with the tax year.

Sources

- IRS, 401(k) contribution and total addition limits
- IRS, after-tax contributions and in-plan Roth rollovers