

SECURE ACT 2.0

Implementation Timeline

NOW

- New exclusions to the 10% early withdrawal penalty
 - Qualified disaster
 - Qualified birth or adoption
 - Terminally ill
- Employee may self-certify hardships
- Employers may permit Roth match

2023

- Removal of some notices to unenrolled participants
- 403b PEPs and MEPs allowed
- Small business start-up tax credit increased to 100% if < 50 employees
- Small business tax credit max of \$1,000 per employee for first year and gradually reduced over 5 years. Full credit available for employers with < 50 employees
- Simple and SEP Roth's allowed.

2024

- Auto-portability of participant accounts to new employer's plan
- Employer matching of student loan payments
- No RMD for Roth 401ks and 403bs
- Auto Cash-Out increases to \$7k
- Emergency-linked Savings Account can be mandated by employer. Cap of \$2,500. Only for NHCEs.
- Retirement Savings Lost and Found
- Starter(k) Plans
- New exclusions to 10% early withdrawal penalty:
 - Emergency Distribution of \$1,000
 - Domestic Abuse
- Higher simple contributions for small employers

2025

- New 401k and 403b plans required to have auto-enroll of at least 3%
- New 401k and 403b plans required to have auto-escalate of 1% per year, cap at 15%
- New 401k and 403b plans must allow 90 days to un-enroll
- Part-time employees with 500+ hours for 2 consecutive years eligible to defer
- Catch-up contributions increased for savers age 60-63

2026

- If earning > \$145k, catch-up contributions must be Roth
- Annual paper statement requirement
- New exclusions to 10% early withdrawal penalty:
 - Qualifying Long-Term Care Insurance premiums

2027

- Refundable savers credit, max of \$2,000 for low-income savers. Credit deposited into retirement savings vehicle.

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