

SECURE 2.0 – Information Overload – MVP Breaks it Down!



The SECURE 2.0 Act of 2022 (SECURE 2.0) became law on December 29, 2022. SECURE 2.0 builds upon the Setting Every Community Up for Retirement Enhancement Act (the SECURE Act) passed in 2019. SECURE 2.0 contains over 90 provisions that overhaul retirement accounts.

The intent of SECURE 2.0 is to modernize the retirement system, encourage increased retirement savings, and reduce the administrative burden on plan sponsors. Unfortunately, the intent has not yet matched the outcome. Industry professionals have been clamoring for IRS guidance on how to implement these new provisions in practice. In response, the IRS keeps wavering and pushing items back on the timeline. At this point, we all have a lot of information and very little IRS guidance on how to implement it.

During the upcoming months, MVP Plan Administrators will release a series of articles to help plan sponsors understand the law's provisions. As IRS guidance unfolds, we are prepared to help you to take proactive steps toward the implementation of these new rules and assist you in determining how they apply to your retirement plan.

Fortunately, SECURE 2.0's provisions roll out gradually and only a few take effect before 2024. The timeline below includes some of the more noteworthy provisions and the years in which they take effect:

Effective	Provisions	Required?
Immediately	Plan distributions may be taken in the event of a natural disaster	No
	The option to treat employer contributions as designated Roth contributions	No
2023	The age for Required Minimum Distributions (RMDs) is increased to age 73	YES
	Increased plan start-up tax credits	No
	Reduced disclosure requirements for unenrolled 401(k) plan participants	No
2024	The involuntary distribution limit increases from \$5,000 to \$7,000	No
	In-service distributions are permitted for victims of domestic abuse	No
	In-service distributions are permitted for personal emergencies	No
	Changes to student loan matching program	No
2025	Automatic enrollment is required for new retirement plans	YES
	Long-term part time employee definition changed to those who work 2 or more years	YES
	Increased catch-up contribution limits for employees age 60 – 63	No?
2026	Catch-up contributions must be treated as designated Roth contributions	YES
	Annual statements on paper in written form required in certain circumstances	YES
2027	Enhanced Saver's Credit to create a federal matching contribution	No
2033	The age for Required Minimum Distributions (RMDs) is increased to age 75	YES

Eager to learn more right away? Click [this link](#) to access an excellent in-depth analysis of Secure 2.0 by Pinnacle Plan Design, LLC, a valued and trusted partner of MVP and the entire retirement plan industry.