



The **Secure 2.0 Act** was signed into legislation on December 29, 2022 – with the goal of improving retirement savings options in the United States. And while the bill contains over 90 provisions designed to help Americans strengthen their financial security, we've identified the key provisions for individuals in this cheat sheet.

REQUIRED MINIMUM DISTRIBUTIONS (RMDs)

AGE INCREASE

Beginning in 2023, the age for required minimum distributions increases from 72 to 73. In 2033, that age increases further to 75.

REDUCED PENALTY FOR MISSED RMD

The penalty for missing an RMD - also known as the excise tax - will be decreased dramatically, from 50% to 25% beginning this year. This penalty would be decreased further (down to 10%) should the missed payment be resolved in a timely fashion.

NO RMDs FOR ROTH 401K ACCOUNTS

The Secure Act 2.0 eliminates RMDs for Roth 401K accounts beginning in 2024.

LET'S CATCH-UP

401K CATCH-UP CONTRIBUTIONS

In 2023, the retirement plan catch-up contribution for those over the age of 50 is \$7,500 - and beginning in 2025, those aged 60-63 will be able to make catch-up contributions of up to \$10,000 per year - or 150% of their current catch-up contribution limit..

These contributions will also be indexed for inflation beginning 2025.

ROTH CATCH-UP

Beginning in 2024, those earning \$145,000 or more will have their catch-up contributions designated as Roth contributions - rather than on a pre-tax basis.

HELPING YOU FIND YOUR PERFECT MATCH

STUDENT LOAN MATCHING PROGRAM

Beginning 2024, student loan payments may be treated as retirement contributions for purposes of employer matching contributions.

OPTIONAL ROTH EMPLOYER MATCH

Starting in 2023, companies can offer employees the option to choose between matching or non-elective employer contributions on a Roth basis.



ENCOURAGING SAVING

401K - AUTOMATIC ENROLLMENT

Starting in 2025, all new 401K and 403b participants will automatically be enrolled in their plan once eligible to participate - at a rate of at least 3% - increasing 1% each year until a goal of 10% is reached.

SAVERS CREDIT MODIFICATION

Beginning in 2027, those who meet set income limits and contribute to a qualified retirement account are entitled to a federal matching contribution - 50% of the contribution - up to \$2,000 per individual.

AND THE LITTLE ONE SAID “ROLL-OVER”

OVER-FUNDED 529s to ROTH IRA

Starting in 2024, beneficiaries of 529 plans may roll over up to \$35,000 during their lifetime to a Roth IRA. These accounts would be subject to annual contribution limits and the plan must have been open for more than 15 years.



ADDITIONAL PROVISIONS TO NOTE

QUALIFIED CHARITABLE DISTRIBUTIONS (QCD)

Beginning in 2023, a donor may make a one-time gift of up to \$50,000 to a charitable remainder trust or charitable gift annuity. Beginning in 2024, the \$100,000 annual limit on QCDs will be indexed for inflation.

EMERGENCY SAVINGS

Beginning in 2024, employers can set up an emergency savings account where employees can save up to \$2,500 in a Roth-style account. Distributions would be treated as a qualified distribution from a Roth account.

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