

SECURE 2.0 PROVISION	DESCRIPTION OF CHANGE	EFFECTIVE DATE	COMMENT
REQUIRED CHANGES			
Indexing the IRA Catch-Up Contribution Limit (Section 108)	Under pre-SECURE 2.0 law, individuals who attained age 50 by December 31 could contribute an additional \$1,000 to their traditional or Roth IRAs for the taxable year. The \$1,000 catch-up contribution limit was not indexed for cost-of-living adjustments. SECURE 2.0 indexes the \$1,000 catch-up contribution limit for cost-of-living adjustments, in multiples of \$100 (rounded to the next lower multiple of \$100), for taxable years beginning after December 31, 2023.	Effective for taxable years beginning after December 31, 2023	Applies to: <ul style="list-style-type: none"> 408 traditional IRAs 408A Roth IRAs
Retirement Savings Lost and Found Online Database (Section 303)	SECURE 2.0 requires the U.S. Department of Labor (DOL) to establish, by December 29, 2024, an online searchable “Retirement Savings Lost and Found” database of information that will allow individuals to contact plan administrators and then make benefit claims under ERISA-subject retirement plans. Plan administrators will have to provide the DOL with information about current and former participants (as required by future DOL regulations) to enable the DOL to construct and operate the database.	Effective for plan years beginning after 12/31/2023	Applies to: <ul style="list-style-type: none"> ERISA-subject retirement plans
Reform of the Family Attribution Rule (Section 315)	Under the Internal Revenue Code (the “Code”), certain related businesses must be aggregated and treated as a single employer when performing coverage and nondiscrimination tests. The aggregation rules are generally based on the degree of common ownership of the businesses. In determining the level of ownership in a business, the Code has certain ownership attribution rules under which an individual is deemed to own stock (or other ownership interests) owned by other individuals or entities. SECURE 2.0 updates two ownership attribution rules. The first update addresses inequities where spouses with separate businesses reside in a community property state when compared to spouses who reside in a separate property state. The second update modifies the attribution of stock (or other ownership interests) between parents and their minor children. Employers should determine whether these updates will cause employers to be aggregated or non-aggregated for post-2023 plan years.	Effective for plan years beginning after December 31, 2023	Applies to: <ul style="list-style-type: none"> 401(a) plans

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Roth Plan Distribution Rules (Section 325)	<p>Under pre-SECURE 2.0 law, required minimum distributions (RMDs) were not required to be made prior to the death of the owner of a Roth IRA, but were required to be made prior to the death of the owner of a designated Roth account under a retirement plan.</p> <p>SECURE 2.0 eliminates the pre-death RMD requirement for designated Roth accounts under retirement plans.</p>	<p>Generally effective for taxable years beginning after December 31, 2023</p> <p>But does not apply to pre-death RMDs which are required for taxable years beginning before January 1, 2024, but which are permitted to be paid on or after that date</p>	<p>Applies to:</p> <ul style="list-style-type: none"> ▪ 401(k) plans ▪ 403(b) plans ▪ 457(b) governmental plans
Surviving Spouse Election to Be Treated as the Participant (Section 327)	<p>SECURE 2.0 provides that if a participant dies before his required beginning date (RBD) for RMD purposes and has designated his/her spouse as his/her sole beneficiary, then the surviving spouse may affirmatively elect to be treated as the participant for purposes of the RMD period, including applying the Uniform Life Expectancy Table for calculating the surviving spouse's RMD. For these purposes, the RMD of a surviving spouse who makes such an election must begin no earlier than the date the deceased participant would have attained his/her RMD beginning age. The surviving spouse's election is irrevocable unless the Secretary of the Treasury consents to a revocation.</p>	<p>Effective for calendar years beginning after December 31, 2023</p>	<p>Applies to:</p> <ul style="list-style-type: none"> ▪ 401(a) plans ▪ 401(k) plans ▪ 403(b) plans ▪ 457(b) plans
Corrections of Mortality Tables (Section 335)	<p>SECURE 2.0 requires the Secretary of the Treasury, not later than 18 months after SECURE 2.0's December 29, 2022 enactment date, to amend the 2017 IRS regulations relating to "Mortality Tables for Determining Present Value Under Defined Benefit Pension Plans," so that the mortality improvement scale underlying the mortality tables for single-employer defined benefit (DB) plan minimum funding under Code Section 430 may not assume future mortality improvements at any age which are greater than 0.78%.</p>	<p>Effective immediately upon SECURE 2.0's December 29, 2022 enactment date, but applicable to valuation dates starting January 1, 2024</p>	<p>Applies to:</p> <ul style="list-style-type: none"> ▪ 401(a) single-employer DB plans

**The SECURE Act of 2022:
Changes Effective in 2024
for Retirement Plans and IRAs**

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Defined Benefit (DB) Plan Annual Funding Notice Enhancements (Section 343)	SECURE 2.0 requires a defined benefit (DB) plan's annual funding notice (AFN) to disclose the plan's funded level for the notice plan year and the preceding two plan years based on the year-end market value of plan assets and liabilities, rather than on the funding target attainment percentage (FTAP). SECURE 2.0 also requires the AFN to include additional details.	Effective for plan years beginning after December 31, 2023	Applies to: <ul style="list-style-type: none"> 401(a) DB plans
Age 50 Catch-Up Contributions for High Wage Earners Must be Roth Contributions (Section 603)	SECURE 2.0 requires that age 50 catch-up contributions may be made only on a Roth (after-tax) basis by participants whose FICA wages for the preceding calendar year from the employer sponsoring the plan exceed \$145,000 (indexed after 2024 for cost-of-living adjustments).	Effective for taxable years beginning after December 31, 2023 NOTE: IRS Notice 2023-62 (August 25, 2023) delays enforcement of this SECURE 2.0 provision until January 1, 2026	Applies to: <ul style="list-style-type: none"> 401(k) plans 403(b) plans 457(b) governmental plans

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OPTIONAL CHANGES			
<p>Treating Student Loan Payments as Elective Deferrals for Matching Contribution Purposes (Section 110)</p>	<p>SECURE 2.0 permits a retirement plan to treat an employee’s qualified student loan payments (QSLPs) made outside the plan as elective deferrals made to the plan for purposes of employer matching contributions, subject to the following:</p> <ul style="list-style-type: none"> ▪ The QSLP must be made in repayment of a qualified education loan the employee incurred to pay qualified higher education expenses ▪ The employee must certify annually to the employer making the matching contributions that the QSLP has been made on a qualified education loan, and the employer may rely upon the employee’s certification absent actual knowledge to the contrary ▪ The match rate, match eligibility requirements, and the match vesting schedule for matching contributions on QSLPs must be the same as for matching contributions on elective deferrals ▪ QSLPs count toward an employee’s Code Section 402(g) annual dollar limit on elective deferrals but do not count toward the Code Section 415(c) annual dollar limit on annual additions ▪ The plan may apply the actual deferral percentage (ADP) test separately to employees who receive matching contributions on QSLPs ▪ For purposes of minimum coverage and nondiscrimination testing, the benefit (matching contributions on QSLPs) is treated as available to all match-eligible employees, even those who have no student debt 	<p>Effective for plan years beginning after December 31, 2023</p>	<p>Applies to:</p> <ul style="list-style-type: none"> ▪ 401(k) plans ▪ 403(b) plans ▪ 457(b) governmental plans ▪ SIMPLE IRA plans
<p>Emergency Personal Expense Distributions (Section 115)</p>	<p>Under SECURE 2.0, an emergency personal expense distribution of up to \$1,000 and made only once per calendar year is not subject to the Code Section 72(t) 10% additional income tax on early distributions. The plan administrator may rely upon a participant’s written certification that the distribution qualifies, absent actual knowledge to the contrary. The participant may repay the distribution within three years. An “emergency personal expense distribution” is any distribution to a participant for purposes of meeting unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses. A participant who receives an emergency personal expense distribution in any calendar year may not receive another such distribution during the immediately following three calendar years unless he/she fully repays the original distribution or contributes an aggregate amount of employee elective deferrals and employee contributions to the plan after the original distribution that is at least equal to the amount of the original distribution which he/she has not repaid.</p>	<p>Effective for plan years beginning after December 31, 2023</p>	<p>Applies to:</p> <ul style="list-style-type: none"> ▪ 401(a) DC plans ▪ 401(k) plans ▪ 403(a) plans ▪ 403(b) plans ▪ 457(b) governmental plans ▪ IRAs

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Allowing Additional Nonelective Contributions to SIMPLE IRA Plans and SIMPLE 401(k) Plans (Section 116)	SECURE 2.0 permits an employer to make nonelective contributions, above the minimum contribution, of a uniform percentage (up to 10%) of compensation for employees who have at least \$5,000 of compensation from the employer for the year. The additional contribution may not exceed the lesser of 10% of compensation or \$5,000 (indexed for cost-of-living adjustments).	Effective for taxable years beginning after December 31, 2023	Applies to: <ul style="list-style-type: none"> ▪ SIMPLE 401(k) plans ▪ SIMPLE IRA plans
Increasing Contribution Limits for SIMPLE IRA Plans and SIMPLE 401(k) Plans (Section 117)	SECURE 2.0 increases the contribution limits for SIMPLE 401(k) plans and SIMPLE IRA plans as follows: <ul style="list-style-type: none"> ▪ The annual contribution limit and the age 50 catch-up contribution limit will increase by 10%, as compared to the limits that would otherwise apply after 2023 ▪ For a plan sponsored by an employer with 26 to 100 employees, the increased contribution limits apply, but only if the employer increases its required matching contribution or nonelective contribution by 1% 	Effective for taxable years beginning after December 31, 2023	Applies to: <ul style="list-style-type: none"> ▪ SIMPLE 401(k) plans ▪ SIMPLE IRA plans
Allowing Certain Automatic Portability Transactions (Section 120)	SECURE 2.0 permits certain service providers to provide employer retirement plans with certain automatic portability services (such as the automatic transfer of a default IRA into an employee's new employer retirement plan). SECURE 2.0 requires that employees be notified before and after such transfers. Service providers must acknowledge their ERISA fiduciary status and may receive fees for their services.	Effective for automatic portability transactions occurring on or after 12/29/2023 (the date that is 12 months after SECURE 2.0's 12/29/2022 enactment date)	Applies to: <ul style="list-style-type: none"> ▪ 401(a) DC plans ▪ 401(k) plans ▪ 403(a) plans ▪ 403(b) plans ▪ 457(b) governmental plans ▪ IRAs
Starter 401(k) and 403(b) Deferral-Only Plans for Employers with No Retirement Plan (Section 121)	SECURE 2.0 permits an employer that does not sponsor a retirement plan to offer a "starter 401(k) deferral-only plan" or a "safe harbor 403(b) deferral-only plan" that automatically enrolls employees at a deferral rate from 3% to 15% of compensation unless the employee elects otherwise. The limits on an employee's regular and age 50 catch-up deferrals under either type of plan are the same as IRA regular and catch-up contribution limits. The limits are indexed for cost-of-living adjustments.	Effective for plan years beginning after December 31, 2023	Applies to: <ul style="list-style-type: none"> ▪ Starter 401(k) deferral-only plans ▪ Safe harbor 403(b) deferral-only plans

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Special Rules for Certain Distributions from Long-Term Qualified Tuition Programs to Roth IRAs (Section 126)	SECURE 2.0 allows tax-free transfers to be made from a long-term Code Section 529 qualified tuition program to a Roth IRA, subject to the Roth IRA contribution limits. The aggregate lifetime maximum on such transfers is \$35,000.	Effective for distributions made after December 31, 2023	Applies to: <ul style="list-style-type: none"> ▪ Long-term 529 qualified tuition programs
Plan-Linked Emergency Savings Accounts (PLESAs) for NHCEs (Section 127)	SECURE 2.0 allows ERISA-subject individual account (DC) retirement plans to offer non-highly compensated employees (NHCEs) plan-linked emergency savings accounts (PLESAs). NHCEs would contribute to their PLESAs on a Roth (after-tax) basis, and their contributions would be eligible for any matching contributions under the plan. Employers may auto-enroll NHCEs in PLESAs, up to 3% of compensation. An NHCE's PLESA account balance may not exceed \$2,500 (indexed after 2024 for cost-of-living adjustments), and contributions that would exceed the limit may be stopped or redirected into the NHCE's Roth account (if any) under the plan. PLESA contributions must be held in cash in an interest-bearing deposit account or in an investment product designed to preserve principal. NHCEs may make at least one withdrawal from their PLESAs per calendar month, and the first four withdrawals during the same plan year may not be subject to a withdrawal fee. Withdrawals are not subject to the 10% additional income tax on early distributions under Code Section 72(t). When NHCEs terminate employment or if the employer eliminates the PLESA feature from its plan (which plan sponsors may do at any time), NHCEs can transfer their PLESAs to their plan Roth accounts (if any) or take a distribution from their PLESAs.	Effective for plan years beginning after December 31, 2023	Applies to ERISA-subject: <ul style="list-style-type: none"> ▪ 401(a) DC plans ▪ 401(k) plans ▪ 403(b) plans

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Increasing Involuntary Cash-Out Limit (Section 304)	SECURE 2.0 increases the involuntary cash-out limit from \$5,000 to \$7,000.	Effective for involuntary cash-outs made after 12/31/2023	Applies to: <ul style="list-style-type: none"> ▪ 401(a) plans ▪ 401(k) plans ▪ 403(a) plans ▪ 403(b) plans ▪ 457(b) plans
Applying Top-Heavy Rules to Defined Contribution (DC) Plans Covering Excludable Employees (Section 310)	SECURE 2.0 permits employers whose defined contribution (DC) retirement plans include excludable employees (i.e., those who are under age 21 with less than one year of service) to exclude those employees from top-heavy testing.	Effective for plan years beginning after December 31, 2023	Applies to: <ul style="list-style-type: none"> ▪ 401(a) DC plans ▪ 401(k) plans
Distributions to Domestic Abuse Victims (Section 314)	SECURE 2.0 allows retirement plans to permit participants who are domestic abuse victims to receive in-service distributions. Plan administrators may rely on participants' certifications of eligibility for such distributions, absent actual knowledge to the contrary. The distribution must be made during the 1-year period beginning on any date the participant is a victim of domestic abuse by a spouse or domestic partner. Aggregate lifetime distributions may not exceed the lesser of \$10,000 (indexed after 2024 for cost-of-living adjustments) or 50% of the participant's vested benefit under the plan. Participants may repay such distributions within three years. Such distributions are not subject to the 10% additional income tax on early distributions under Code Section 72(t).	Effective for distributions made after December 31, 2023	Applies to: <ul style="list-style-type: none"> ▪ 401(a) DC plans ▪ 401(k) plans ▪ 403(b) plans ▪ 457(b) governmental plans
Extended Deadline to Adopt Discretionary Plan Amendments Increasing Benefits (Section 316)	SECURE 2.0 permits an employer to adopt a retroactive discretionary plan amendment increasing plan benefits (other than matching contributions) effective as of any date during the immediately preceding plan year, so long as the employer adopts that amendment no later than the deadline (including extensions) for filing the employer's federal income tax return for the taxable year which includes the effective date of the plan amendment.	Effective for plan years beginning after December 31, 2023	Applies to: <ul style="list-style-type: none"> ▪ 401(a) plans ▪ 401(k) plans
Replacing SIMPLE IRA Plans with Safe Harbor 401(k) Plans During the Plan Year (Section 332)	SECURE 2.0 allows an employer that sponsors a SIMPLE IRA plan to replace that plan with a SIMPLE 401(k) plan or other safe harbor 401(k) plan during the plan year. Contributions to each type of plan are prorated during the transition plan year.	Effective for plan years beginning after December 31, 2023	Applies to: <ul style="list-style-type: none"> ▪ SIMPLE IRA plans ▪ SIMPLE 401(k) plans

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<p>Safe Harbor for Corrections of Employee Elective Deferral Failures (Section 350)</p>	<p>SECURE 2.0 permits employers that sponsor plans with auto-enrollment and auto-escalation features to self-correct reasonable errors in administering those features with respect to an eligible employee within 9½ months after the end of the plan year in which the error first occurred with respect to that employee (a shorter correction period applies if the employee notifies the employer about the error). The employer will not be required to make corrective contributions to restore the employee’s missed elective deferrals but will have to make corrective contributions to restore the employee’s missed matching contributions (if any). Such corrections would be made with respect to current and former employees. This SECURE 2.0 provision makes permanent and expands one of the safe harbor correction methods available under the IRS’s Employee Plans Compliance Resolution System (EPCRS) that had been scheduled to sunset on December 31, 2023.</p>	<p>Effective for plan years beginning after 12/31/2023</p>	<p>Applies to:</p> <ul style="list-style-type: none"> ▪ 401(a) plans ▪ 401(k) plans ▪ 403(b) plans ▪ 457(b) plans ▪ IRAs
<p>Hardship Withdrawals from 403(b) Plans (Section 602)</p>	<p>Under pre-SECURE 2.0 law, hardship withdrawals under 403(b) plans could only be made from elective deferrals, but hardship withdrawals under 401(k) plans could be made from elective deferrals, qualified nonelective contributions (QNECs), qualified matching contributions (QMACs), and earnings on all those contribution sources. Aligning hardship withdrawal rules for 403(b) plans with those for 401(k) plans, SECURE 2.0 permits hardship withdrawals under 403(b) plans to also be made from QNECs and earnings thereon, QMACs and earnings thereon, and earnings on elective deferrals.</p>	<p>Effective for plan years beginning after December 31, 2023</p>	<p>Applies to:</p> <ul style="list-style-type: none"> ▪ 403(b) plans

Plan Amendment Deadlines	
<p>Plan Amendment Deadlines for SECURE 2.0 and Previously-Enacted Laws (Section 501)</p>	<ul style="list-style-type: none"> ▪ General Deadline for SECURE 2.0 Plan Amendments. The general deadline for adopting plan document amendments reflecting applicable required and optional provisions of SECURE 2.0 is the last day of the first plan year beginning on or after 1/1/2025 (e.g., 12/31/2025 for a calendar year plan), provided that the plan is operated in accordance with SECURE 2.0's applicable required and optional provisions as of their respective effective dates. ▪ Deadline for SECURE 2.0 Amendments to Governmental Plans. The deadline for adopting governmental plan document amendments reflecting applicable required and optional provisions of SECURE 2.0 is the last day of the first plan year beginning on or after 1/1/2027 (e.g., 12/31/2027 for a calendar year plan), provided that the plan is operated in accordance with SECURE 2.0's applicable required and optional provisions as of their respective effective dates. ▪ Deadline for SECURE 2.0 Amendments to Certain Collectively Bargained Plans. For collectively bargained plans maintained pursuant to one or more collective bargaining agreements that were ratified before 12/29/2022 (SECURE 2.0's enactment date), the deadline for adopting plan document amendments reflecting applicable required and optional provisions of SECURE 2.0 is the last day of the first plan year beginning on or after 1/1/2027 (e.g., 12/31/2027 for a calendar year plan), provided that the plan is operated in accordance with SECURE 2.0's applicable required and optional provisions as of their respective effective dates. ▪ Deadline for SECURE 1.0, CARES Act and Taxpayer Certainty and Disaster Tax Relief Act Amendments. The above-described SECURE 2.0 plan amendment deadlines are also the deadlines for adopting amendments reflecting applicable required and optional provisions of the following previously-enacted laws: <ul style="list-style-type: none"> ➤ SECURE 1.0, the Setting Every Community Up for Retirement Enhancement (SECURE) Act, enacted on 12/20/2019 as Division O of the Further Consolidated Appropriations Act, 2020 (Public Law No. 116-64) ➤ CARES Act, the Coronavirus Aid, Relief, and Economic Security Act, enacted on 3/27/2020 (Public Law. No. 116-136) ➤ Taxpayer Certainty and Disaster Tax Relief Act of 2020, enacted on 12/27/2020, as Division EE of the Consolidated Appropriations Act, 2020 (Public Law No. 116-260).

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