SECURE 2.0 Act of 2022 — Summary

The SECURE 2.0 Act of 2022 ("SECURE 2.0") was signed into law by President Biden on December 29, 2022. This was part of the overall Consolidated Appropriations Act, 2023, and this legislation will impact various provisions and operation associated with employer sponsored retirement plans. SECURE 2.0 Act builds and expands on the 2019 SECURE Act. There are numerous changes and or enhancements that impact current employer sponsored retirement plans, new retirement plans, IRAs, 529 plans, etc.

The following table is meant to provide an overview of SECURE 2.0 Act provisions, with a brief summary of each provision (including section), plan type(s) impacted, effective date, and additional comments. We have categorized the provisions into topics as follows (click to go to that section of the summary):

Note: Some provisions are effective as of the date of enactment while others become effective in 2023 or another future date. The date may reference a specific calendar year, plan year, or other criteria such as when regulations and/or additional guidance is issued. In addition, some of these provisions will be required while others will be optional.

SECURE 2.0 – Plan sponsor guide/impact to retirement plans

Retirement savings/contributions

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Expanding automatic enrollment (AE) **(Sec. 101)**	A 401(k) or 403(b) plan has the option to adopt automatic enrollment and/or use automatic escalation.	Newly established 401(k) or 403(b) plans will be required to include an automatic enrollment program. The AE initial default will need to be at least 3% and then increase 1% per year until it reaches 10% (but not more than 15%). The AE requirement does not apply: ▪ To church plans or governmental plans; ▪ Unless/until the employer regularly employs more than 10 employees; ▪ While a new employer is in its first three years of existence.	401(k) and 403(b) plans	For plan years beginning after 12/31/2024	Plans established before enactment are not affected. Unless exempted, this will impact new 401(k) and 403(b) plans established on or after date of enactment. However, the AE program does not have to begin before the first plan year beginning after 12/31/2024 or later, if initially exempt. See discussion of Sec. 121 under Retirement Plan Incentives, below.
Increased catch-up limit **(Sec. 109)**	Individuals age 50 and over are allowed to make $7,500 in 2023 (indexed for inflation). SIMPLE plans - $3,500 in 2023	Increases the age 50 catch-up contributions for individuals age 60 to 63 to the greater of (i) $10,000 or (ii) 150% of the regular catch-up amount in 2024 (indexed for inflation). For example, if the age 50 catch-up limit remains $7,500 in 2024, the increased catch-up limit would be $11,250. For SIMPLE plans, increases the limit to the greater of (i) $5,000 or (ii) 150% of the regular catch-up contribution	401(k), 403(b), and 457(b) governmental plans SIMPLE plans	Taxable years beginning after 12/31/2024	This only applies to the four tax years in which the individual is age 60, 61, 62, and 63. Note: this may impact the special 403(b) "15-year catch-up" in the same manner as the current coordination rules affect the age 50 catch-up amount. 457(b) governmental plan employees may continue to choose between the special three-year catch-up and the age related catch-up. See also discussion of Sec. 603 below.

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Catch-up contributions — Roth **(Sec. 603)**	Age 50 catch-up contributions may be made on a pretax or Roth basis.	Age 50 catch-up contributions made to 401(k) plans, 403(b) plans, and 457(b) governmental plans must be made on a Roth basis if the participant had wages (from the sponsoring employer, which includes compensation from all related employers) of $145,000 (indexed for inflation) or more in the prior year. This will also affect the increased catch-up limit when effective.	401(k), 403(b), and 457(b) governmental plans	Taxable years beginning after 12/31/2023	The $145,000 income threshold is based on the prior year. An employer will need to identify affected employees prior to 1/1/2024. If a plan offers age 50 catch-up, then employees who earn more than $145,000 will need to make catch-up contributions on a Roth basis. It is our understanding this only applies to the age 50 catch-up contributions (does not apply to three-year 457(b) catch-up provision; further research/guidance needed on 15-year 403(b) special catchup). See also discussion of Sec. 109, above.
Student loan payments treated as elective deferrals for purposes of making employer matching contributions **(Sec. 110)**	A retirement plan may not make matching contributions based on student loan payments.	A plan may allow an employer to make matching contributions based on "qualified student loan payments" (QSLP). In addition, the plan may elect to treat such matching contributions as Roth (see Sec. 604 discussion immediately below). Any QSLP made to an applicable plan will not be treated as an actual contribution to the plan but will need to be coordinated so that when aggregated with other elective deferrals, no amount in excess of an individual's limit will be treated as a QSLP. For the Actual Deferral Percentage (ADP) testing, these participants may be tested separately.	401(k), 403(b), 457(b) governmental plans	Plan years beginning after 12/31/2023	The employer is permitted to rely on employee self-certification of student loan payments. It is unclear in the legislation whether these participants are excluded for Actual Contribution Percentage (ACP) testing. But if they are to be included for ACP testing, this may be a design strategy to help improve ACP testing results.

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Treatment of employer contributions (employer matching or non-elective) as Roth contributions **(Sec. 604)**	Employer contributions may not be made on a Roth basis, though the plan may allow employees to convert such contributions to Roth after being contributed (Roth in-plan conversion).	A plan may permit employees to designate employer matching or employer non-elective contributions as Roth contributions. This would include matching contributions associated with student loan matching contributions. These contributions would be subject to tax.	401(a)/(k), 403(b), and 457(b) governmental plans	Employer contributions made after date of enactment	An employer should consider if this would be a viable option. This would require the employer to verify a participant's vesting before allowing this election. In addition, the payroll and taxes would need to be handled accordingly, but as a reminder, these amounts should not be subject to FICA withholdings. Note that one advantage to the current in-plan conversion is that participants can elect to convert vested amounts (as opposed to having to wait until they are fully vested).
Saver's match (old saver's credit) **(Sec. 103)**	Saver's credit uses a tiered % from 10% to 50% based on the adjusted gross income (AGI) to determine the amount of the credit.	Modifies existing saver's credit: Makes it refundable and turns it into a pretax direct government matching contribution to the individual's IRA or eligible retirement plan. Credit is treated as a pretax contribution.	401(k), 403(b), 457(b) governmental and traditional IRAs	Tax years beginning after 12/31/2026	Match % is a straight 50% until the taxpayer hits the maximum modified AGI ($41,000 for joint filers; phased out above that amount and match % for joint filers is 0% at $71,000).
Long-term part-time employees **(Sec. 125)**	Original SECURE Act required 401(k) plans to generally permit an employee to make contributions to the plan if they worked at least 500 hours per year for three consecutive years. The 12-month periods beginning before 1/1/2021 are disregarded for this special eligibility rule. This only applied to 401(k) plans.	Reduces the three-year period to two years (for eligibility to make employee contributions). For eligibility purposes, service before 2023 is excluded. For purposes of vesting of employer contributions, service before 2021 is excluded. Expands this to include ERISA 403(b) plans.	401(k) and ERISA 403(b) plans	Plan years effective after 12/31/2024	401(k) and ERISA 403(b) plans now are required to permit employees to participate in the plan for elective deferral purposes if an employee has at least 500 hours worked in both 2023 and 2024. For 401(k) plans, an employee may become eligible as early as 1/1/2024, based on the original three-year requirement. For 403(b) plans, in addition to only affecting ERISA plans, this should have no impact unless one of the exceptions to the universal availability rule is utilized. The two consecutive years rule is made to ERISA and the IRS Tax Code, thus this provision is an enforceable right under ERISA Title I.

Provision	Current	New	Plans impacted	Effective date	Comment/notes
457(b) governmental plan deferral election timing **(Sec. 306)**	Participants currently limited on when they can make changes to their deferral elections — any change must be entered into before the first day of the month in which the compensation is paid or made available. For new employees, they may make an election on or before their first day of employment for the election to be valid.	Permits participants to make changes to their deferral elections any time before the compensation is made available to the individual (same rule that applies to a 401(k) or 403(b) plan).	457(b) governmental plans	Taxable years beginning after date of enactment	This should be welcome news for 457(b) governmental plan sponsors. Please note this does NOT change the deferral election timing rules for 457(b) top hat plans sponsored by non-profit organizations.

Retirement plan incentives

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Small employer startup costs **(Sec. 102)**	Employers with less than 100 employees may be eligible for a three-year startup credit that is 50% of the administrative costs (annual cap of $5,000).	Retains the current start-up credit for employers with 51-100 employees. For employers with 1-50 employees, the startup credit increases from 50% to 100% for employers. Introduces an additional "employer contribution" credit. This is a tiered (reducing) credit over five years. In addition, this credit is phased out if, in the preceding taxable year, the employer had more than 50 employees.	Section 401(a), 401(k) and 403(a) "qualified plans" Section 408(k) (SEPs) or 408(p) SIMPLE IRAs	Tax years beginning after 12/31/2022	Note that the additional employer contribution credit is not available for defined benefit plans. In addition, plans sponsored by governmental or tax-exempt employers are not eligible for either credit.

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Small employer startup costs for employers who join an existing plan **(Sec. 111)**	Currently, a nonrefundable income tax credit of 50% of the qualified startup cost paid or incurred during the taxable year (by an employer with fewer than 100 employees that adopts a new employer plan (MEP)). Requires the plan to cover at least one non-highly compensated employee	Provides clarification that the first credit year is the taxable year that includes the date the MEP becomes available to the eligible employer. This means the startup tax credit is available for three years based on that date — not on the MEP original effective date.	401(a)/(k) MEPs	Retroactively for taxable years beginning after 12/31/2019 (i.e. as if included in the original SECURE Act)	
Starter 401(k) and 403(b) plans for employers with no retirement plan **(Sec. 121)**	N/A	For employers who do not currently sponsor a retirement plan, creates two new plan designs: 1. starter 401(k) deferral-only arrangement 2. safe harbor 403(b) plan These plans would need to use automatic enrollment with a 3% initial deferral rate (up to 15%). The limits applicable to these plans would be the same as IRA contribution limits (for 2023, $6,500 with a $1,000 age-50 catch-up). The limits are indexed for inflation.	Starter 401(k) and starter 403(b) plans	Plan years beginning after 12/31/2023	A starter 401(k) plan may be a good option for an employer that: ▪ doesn't have a plan ▪ is concerned about meeting the testing requirements for salary deferrals ▪ wants to be exempt from top heavy rules (without the associated employer contribution requirements of a SIMPLE, safe harbor, or traditional 401(k) plan that is top heavy) It is unclear as to whether there are any advantages for a safe harbor startup 403(b). See also discussion of Sec. 101, Expanding automatic enrollment, under Retirement Savings/Contributions, above.
Small immediate incentives for contributing to a plan **(Sec. 113)**	Generally, plan participants are currently not permitted to receive certain financial incentives to encourage making contributions to a retirement plan.	Permits plan participants to receive de minimis financial incentives for contributing to a 401(k) or 403(b) plan. These may not be paid with plan assets. This is an exception to the IRS Tax Code's contingent benefit rules.	401(k) and 403(b) plans	Plan years after date of enactment	This will permit an employer to offer modest financial incentives (such as a small denomination gift card) to employees for their participation in a 401(k) or 403(b) plan. This does not allow incentives for other events (such as incentives to get participants to take distributions).

Distributions, taxation, and lifetime income

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Required Minimum Distributions (RMDs) **(Sec. 107)**	For individuals born before 7/1/1949, the RMD age is 70½. The original SECURE Act changed the RMD age to age 72 for individuals born after 6/30/1949.	Increases the RMD age as follows: 1. Age 73 for individuals who attain age 72 after 12/31/2022 and age 73 before 1/1/2033 2. Age 75 for individuals who attain age 74 after 12/31/2032 (clarification needed but assume this meant to say that the individual attains age 73 after 12/31/2032)	All plans subject to RMDs	Distribution years after 12/31/2022	Those who attain age 72 in 2022 are not affected (even if they wait to take their 2022 RMD until 4/1/2023). For individuals born in 1951 through 1959, the RMD age is age 73. For individuals born in 1960 or after, their RMD age is 75.
Reduction in excise tax for missed/late RMDs **(Sec. 302)**	The current excise tax for a missed/late RMD is 50% (applies to shortfall). Excise tax may be reduced or eliminated either through a Voluntary Submission Program (VCP) submission or the IRS agrees to waive the excise tax based on an individual's request.	The 50% excise tax is reduced to 25%. The 25% may be further reduced to 10% if the individual corrects the failure and files a return reflecting the tax during the Correction Window (as defined in Section 4974(e)(2)).	All plans subject to RMDs	Taxable years beginning after date of enactment	The reduction of the 50% excise tax is welcome relief; however, this may result in less likelihood that the IRS will agree to waive the late RMD excise tax (since the penalty will not be as large). With that being said, we would encourage all plans and participants to make/take RMDs timely.
Hardship withdrawal rules for 403(b) plans **(Sec. 602)**	401(k) plan hardship rules changed in 2018 (Bipartisan Budget Act of 2018). 401(k) plans were permitted to make hardship withdrawals from additional contribution sources and from earnings on elective deferrals. Changes did not apply or affect 403(b) plans.	The 401(k) and 403(b) hardship withdrawal rules are now similar — a 403(b) plan may now distribute QNECs, qualified matching contributions, and earnings on these contributions (including earnings on elective deferrals). The requirement to take a loan before a hardship is also eliminated (the same as a 401(k) plan).	403(b) plans	Plan years beginning after 12/31/2023	As noted, 403(b) hardship rules are now more closely aligned with 401(k) hardship rules. It is not clear whether this change now allows for hardships from other employer sources within a 403(b) custodial account or whether the change produces restrictions that were not in place for 403(b) annuity contracts.

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Withdrawals for emergency savings **(Sec. 115)**	No special withdrawal rule and no special exception to the 10% early withdrawal penalty permitted.	Provides option for a new distributable event for a withdrawal needed to satisfy a personal or family emergency expense. Only one emergency distribution (up to $1,000) may be made in any calendar year. Such distribution is penalty free. Repayment is permitted three years after distribution. No further emergency distributions are allowed during three-year repayment period unless repayment occurs.	401(k) and 403(b) plans	Distributions made after 12/31/2023	Optional provision. A plan sponsor will need to determine if this would be beneficial to employees. Note: a 457(b) governmental plan is not generally subject to the 10% early withdrawal penalty unless the distribution was taken from amounts rolled over from a non-457(b) governmental plan. In addition, this rule is very similar to an unforeseeable emergency distribution.
Small amount force out threshold **(Sec. 304)**	A plan may force out a terminated participant's account if the balance is no more than $5,000.	The $5,000 threshold is increased to $7,000.	401(k), 403(b), 457(b) governmental	Distributions made after 12/31/2023	
Self-certification of hardships **(Sec. 312)**	Currently, an employee must provide written representation and generally provide documentation. The IRS did provide for a self-certification option; however, certain requirements applied (which presented certain questions and/or challenges).	Allows a plan sponsor to rely on an employee's self-certification that they incurred a safe harbor event, and not in excess of the amount needed. In addition, a plan sponsor may continue to rely on the participant's representation that the amount is necessary and that the participant does not have any other means of meeting the financial need. A hardship under a 457(b) governmental plan is an "unforeseeable emergency," which can use the similar self-certification.	401(k), 403(b), and 457(b) governmental	Plan years beginning after date of enactment	The self-certification option will likely significantly reduce the plan sponsor's administrative burden of reviewing and approving hardship requests. Note: this does not apply in the event of an unforeseeable emergency distribution from a 457(b) top hat plan.

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Retirement savings lost and found **(Sec. 303)**	N/A	Directs the Department of Labor (DOL) to create a national online searchable "lost and found" database for benefits payable to missing, lost, or non-responsive participants and beneficiaries.	401(a)/(k) and 403(b) plans that are subject to ERISA	Creation of database is required no later than two years after enactment	With the continued focus by the DOL on missing participants, most plan sponsors will welcome this lost and found database.
Plan distributions and loans for qualified federally declared disasters **(Sec. 331)**	These are made available on a situational/event basis.	Provides permanent rules for access to retirement funds in the event of a qualified federally declared disaster. Qualified disaster recovery distributions: Up to $22,000, in aggregate from all retirement plans and IRAs, may be distributed to a participant per disaster. 1. They are exempt from 10% early withdrawal penalty 2. They are exempt from mandatory withholdings 3. Income may be spread over a three-year period 4. Amounts may be contributed over a three-year period (beginning on day after the date of distribution) 5. Certain home purchase distributions may be contributed to the plan or account if those funds were not used because of disaster **Disaster Loans:** Increases the maximum loan amount for qualified individuals to $100,000 and extends the repayment period for such loans.	All plans and IRAs that permit	Disasters occurring on or after 1/26/2021	Similar to prior disaster relief, the ability to elect a disaster distribution or loan is an optional provision. However, certain taxation and repayment rules may apply to an otherwise permitted distribution.

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Penalty-free withdrawal in case of domestic abuse **(Sec. 314)**	N/A	Permits a penalty-free early withdrawal for cases of domestic abuse. The amount is not to exceed the lesser of $10,000 (indexed) or 50% of the employee's vested account. Amounts taken are exempt from mandatory withholdings and may be recontributed to the plan over three years.	401(a)/(k), 403(b), and 457(b) governmental	Distributions made after 12/31/2023	This is an optional in-service distribution for a retirement plan. The participant is permitted to self-certify as to the domestic abuse situation.
RMD rules for Roth account in employer sponsored retirement plans **(Sec. 325)**	Currently, Roth IRAs are exempt from RMD rules pre-death; however, an employer sponsored retirement plan is not exempt from RMDs.	The exemption from pre-death RMDs is extended to Roth accounts in employer sponsored retirement plans.	401(k), 403(b), and 457(b) governmental plans	Tax years beginning after 12/31/2023	Most will welcome the uniformity on the application of the RMD rules for Roth. This should avoid some individuals moving their Roth accounts to a Roth IRA. Distributions required before 1/1/2024 will be subject to prior rules.
Remove RMD barriers for life annuities **(Sec. 201)**	Generally requires annuity payments to be nonincreasing with limited exceptions. An exception is annuity contracts purchased from insurance companies (which meet an actuarial test). The actuarial test does not permit certain guaranteed annuity options.	Changes RMD requirements to relax the rules, allowing commercial annuities issued in connection with an eligible retirement plan to provide additional types of payments such as certain lump sums, and annual payment increases at a rate less than 5% annually.	Qualified plans and IRAs to which the RMD rules apply	Calendar years ending after the date of enactment	

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Eliminating penalty on partial annuitization **(Sec. 204)**	Currently, a higher RMD may result if a retirement account holds an annuity contract. If a retirement account holds an annuity contract and other assets, the RMD is calculated in a bifurcated manner (annuity — defined benefit rules and other assets — defined contribution rules). This may result in a higher amount distributed than if there were no annuity.	Secretary of Treasury is directed to update the regulations to calculate the RMD for an account that has both an annuity contract and other assets: the employee may elect to have the RMD calculated by applying the defined contribution rules. Payments from the annuity contracts that exceed the RMD amount are applied toward the overall RMD.	Eligible plans that have an annuity contract form of payment	Upon enactment	Individuals may rely on good faith interpretation until Treasury updates regulations.
RMD rules — surviving spouse election to be treated as employee **(Sec. 327)**	Currently, the sole designated spousal beneficiary of an IRA may be treated as the IRA owner for purposes of RMD rules.	The current IRA rules are expanded to employer sponsored retirement plans. A spouse beneficiary may elect to be treated as the employee for RMD purposes (as long as they are the sole designated beneficiary). The distribution period after the participant's year of death shall be determined by the uniform life table.	Retirement plans subject to RMD rules	Calendar years beginning after 12/31/2023	Treasury Secretary shall amend RMD regulations to provide for the revised distribution period.
Modification of RMD rules for special needs trusts **(Sec. 337)**	Currently, certain restrictions and limits exist for beneficiaries to receive lifetime income after an account owner's death. There are certain exceptions.	In the case of a special needs trust established for certain beneficiaries (such as a beneficiary with a disability), the trust may provide for a charitable organization as the remainder beneficiary.	Retirement plans and IRAs	Calendar years beginning after date of enactment	Removes the obstacle of being able to issue lifetime payments when the remainder beneficiary of the trust is not an "eligible designated beneficiary."
Exception to early withdrawal penalty for early distributions for individuals with a terminal illness **(Sec. 326)**	Currently, a 10% early withdrawal penalty applies (no exception for terminal illness).	Creates an exception to the 10% early withdrawal penalty for an individual if a physician certifies terminal illness (for this requirement, "terminal" means expected death in 84 months or less).	Plans subject to 10% early withdrawal penalty	Distributions made after date of enactment	

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Governmental retirement plans — direct payment for health insurance premiums and long-term care insurance **(Sec. 328)**	Currently, eligible retired public safety officers in a governmental retirement plan may exclude from gross income up to $3,000 for distributions made for health insurance premiums — provided the premiums are paid directly by the plan.	Allows the plan to distribute amounts to pay the qualified health premiums either 1) directly to the insurer or 2) directly to the retired participant. This requires a self-certification from the individual on the individual's tax form that the distribution did not exceed the premium paid by the participant.	Governmental retirement plans that permit health premium payments	Distributions made after the date of enactment	
Qualified public safety employees in governmental plans — Modification in eligible age for exemption from early withdrawal penalty **(Sec. 329)**	Qualified public safety employees may receive distributions from a governmental plan after separating service after attainment of age 50 — not subject to 10% early withdrawal penalty.	Extends the exception from the penalty tax to include qualified public safety employees who have separated from service after attainment of age 50 or 25 years of service (whichever is first).	Governmental plans that offer qualified public safety employee distribution	Distributions made after date of enactment	This applies to governmental plans (other than 457(b) governmental plans) that offer the provision
Expands definition of qualified public safety employee **(Sec. 330)**		Expands definition of qualified public safety employee to include certain corrections officers and forensic security employees.	Governmental plans covering corrections officers and forensic security employees	Distributions made after effective date	

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Purchase of long-term care contracts using retirement plan distributions **(Sec. 334)**	Distributions only for certain reasons and 10% penalty unless exception applies.	Retirement plan distributions ("qualified long-term care distributions") permitted up to a specific amount each year for certain long-term care insurance contracts. The permitted amount is the lesser of: 1. amount paid or assessed to employee during the year for long-term care insurance 2. 10% of employee's vested accrued benefit, or 3. $2,500 (indexed for inflation beginning in 2025). For premiums for long-term insurance, distributions would be exempt from 10% penalty tax.	Retirement plans and IRAs subject to 10% penalty tax	Distributions made three years after date of enactment	Long-term care coverage must be for the participant, participant's spouse, or other family member (as clarified by regulation)
Exclusion of certain disability-related first responder payments **(Sec. 309)**	Disability-related retirement plan payments are generally included in taxable income.	For first responders, excludes service-connected disability pension payments from gross income after reaching retirement age up to an annualized excludable amount.	401(a)/(k), 403(b), 457(b) governmental	Plan years beginning after 12/31/2026	
Repayment of qualified birth or adoption (QBAD) costs **(Sec. 311)**	Original SECURE Act added QBAD and does not limit the repayment period.	Requires QBAD to be recontributed within three years of the date of the distribution to qualify as an eligible rollover contribution.	All plans that offer QBAD	Distributions made after the date of enactment. For withdrawals that have already been taken, the repayment period ends 12/31/2025.	This places an end date to the recontribution/rollover date.

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Clarification of substantially equal periodic payment rule **(Sec. 323)**	Currently, a 10% early tax penalty applies from certain retirement plans — an exception applies for substantially equal periodic payments over individual's life expectancy (if certain requirements are met).	Clarifies that the exception for substantially periodic payments continue to apply after certain rollovers, transfers, exchanges, and annuities.	Plan subject to 10% penalty that provides for distribution option	Rollovers, transfers, and exchanges after 12/31/2023. For annuity distributions, after date of enactment.	
Qualifying longevity annuity contracts (QLACs) **(Sec. 202)**	Currently, the premium an individual can pay for QLAC is the lesser of $125,000 (indexed for inflation) or 25% of the individual's account balance. Additional restrictions apply for non-spouse death benefits.	Increased the dollar limit to $200,000 (indexed) and eliminates the 25% limit. An employee may rescind a contract during the 90-day free look period. Clarification that a divorce after QLAC is purchased, but before payments begin, will not impact J&S benefits under the contract.	401(a)/(k), 403(b), and IRAs	Contracts purchased after enactment	Provisions relating to 90-day free look and divorce after QLAC purchase are effective retroactively to 7/2/2014.
Distributions to firefighters **(Sec. 308)**	Qualified public safety employees in governmental plans are permitted to avoid the 10% early withdrawal penalty beginning at age 50, after separation of service.	Extends the age-50 early withdrawal exception to private sector firefighters receiving a distribution in a qualified retirement plan or 403(b) pan.	401(a)/(k) and 403(b) plans	Distributions made after date of enactment	

MEP/PEPs, plan options, and investments

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Pooled employer plans (PEPs) modification **(Sec. 105)**	Original SECURE Act created PEPs (unrelated employers may adopt a plan). The plan is required to designate a trustee — the trustee is responsible for collecting contributions and having policies and procedures in place to address plan operation.	Changes the trustee designation for collecting contributions — the plan may designate any named fiduciary (other than the participating employer) as the entity responsible for the collection of contributions.	PEPs	Plan years beginning after 12/31/2022	This permits a fiduciary to name/designate another entity for the collection of contributions.
Multiple employer plans (MEPs) — 403(b) plans **(Sec. 106)**	Original SECURE Act created pooled employer plans (PEPs) (unrelated employer may adopt a plan). 403(b) plans were not included.	A 403(b) plan is now permitted to be a MEP or PEP. Provides clarification on annual reporting requirement. Treasury is directed to issue regulations on "one bad apple" rule for 403(b) plans and model plan language.	403(b) plans	Plan years beginning after 12/31/2022	403(b) plans may now adopt/participate in a MEP or PEP. The Treasury will need to issue regulation and model plan language. It is unclear on impact of 403(b) MEPs or PEPs that existed prior to the effective date.
Collective Investment Trusts (CITs) funding 403(b) plans **(Sec. 128)**	403(b) plans generally limited to annuity contract or mutual funds.	The Tax Code is amended to specifically state that 403(b) plans with custodial accounts are permitted to invest in CITs. This does not address the current securities law which prohibits these types of investments.	403(b) plans	N/A (may not be used until securities laws are changed)	While this is a step forward, changes will need to be made to the current securities laws to permit 403(b) plans to use CITs.
Military spouse retirement plan eligibility **(Sec. 112)**	N/A	Creates a new income tax credit for eligible small employers that employ military spouses. This allows the individual to participate in the defined contribution plan (subject to plan provision requirements). Tax credit is $200 per participating non-highly compensated military spouse plus 100% of employer contributions up to an additional $300 per employee (for up to three consecutive years).	Defined contribution plans of small employers	Tax years after date of enactment	This may be an option a small employer may use for a tax credit. Note that a military spouse is an employee whose spouse (as of their date of hire) is in the uniformed services, serving on active duty.

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Emergency savings account linked to individual account plan **(Sec. 127)**	Offering emergency savings inside a retirement plan currently has certain questions and/or concerns. Currently, the sponsor of a 401(k) or 403(b) plan could offer traditional voluntary after-tax contributions as a means for extra savings (and could limit participation to non-highly compensated employees). However, the earnings on such amounts would be taxable upon distribution.	An employer is permitted to offer a short-term emergency savings account (ESA) under the defined contribution plan. ESAs are funded as Roth contributions. Participation may be voluntary or through automatic enrollment (3% maximum). No contribution can be made once the account value reaches $2,500 (indexed for inflation) unless/until the account value falls below the limit. ESA contributions may be matched. The plan may not require a minimum contribution or balance. Participants must have the ability to take at least one withdrawal per month. Distributions are automatically treated as Qualified Roth Distributions (QRDs). The first four withdrawals per year cannot be subject to a fee. At termination, the ESA may be rolled over to a designated Roth account. The provision preempts state anti-garnishment laws.	401(k) and 403(b) plans	Plan years beginning after 12/31/2023	This is an optional provision. An employer needs to determine if this would be beneficial to offer for their employees. The design of this may look like a bank savings account. Unclear whether this provision applies to non-ERISA plans.
Top-heavy — application to excludable employees **(Sec. 310)**	Currently, a plan that is considered top-heavy (60% threshold for accounts — key vs. non-key employees) is required to make a top-heavy minimum contribution (and may be required to accelerate vesting).	Permits a top-heavy plan to perform separate testing for excludable employees (requirement is age 21 and one year of service).	Plans subject to the top-heavy test	Plan years beginning after 12/31/2023	This removes an obstacle that may be preventing employers from allowing immediate eligibility.

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Insurance dedicated exchange-traded funds (ETFs) **(Sec. 203)**	N/A	Secretary of Treasury is directed to amend the regulations that would allow ETFs to qualify as an insurance-dedicated fund (notwithstanding holdings in such funds by authorized participants and market makers).	Investments in insurance company separate accounts	Treasury to update regulations seven years after enactment	Facilitates the creation of a new "insurance-dedicated" ETF.
Annual audits for groups of plans **(Sec. 345)**	Retirement plans with 100 or more participants must have an opinion from an independent auditor. Original SECURE Act allows a group of plans with common features to file a single Form 5500. Proposed regulations would require both the plan-level and trust-level audit for the plans participating in the group of plans.	Provides clarification for audit requirements. A trust-level audit is not required — only plans with 100 or more participants are required have an audit.	MEPs and PEPs	Upon enactment	Eliminating the trust-level audit should save substantial plan expense.

Disclosures and notices

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Paper benefit statements **(Sec. 338)**	Retirement plans (subject to ERISA) are required to provide benefit statements periodically. The rules on electronic delivery of statements are described in the DOL 2020 e-delivery rules and the IRS 2002 safe harbor rules.	For defined contribution plans, at least one paper statement each calendar year. For defined benefit plans, at least one paper statement every three years. Exception permitted for plans that allow employees to opt into e-delivery (the 2002 safe harbor). Secretary is directed to make appropriate changes to the current e-delivery rules by 12/31/2024.	Plans subject to ERISA disclosure requirements	Plan years beginning after 12/31/2025	The current rules may continue to be followed (which includes the DOL e-delivery rules issued in 2020) until plan years beginning after 12/31/2025. We expect additional guidance and action by the Treasury Secretary.

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Review and report to Congress relating to reporting and disclosure requirements **(Sec. 319)**	Currently, various filings and notices are required (annual 5500, participant notices, SPDs, etc.)	Secretary of Labor, Secretary of Treasury, and Director of PBGC to study current requirements and submit a report to Congress within three years to address potential alternatives to simplify, consolidate or standardize these requirements.	All plans subject to filing and notice requirements	Effective upon enactment	
Fee disclosure improvements for defined contribution plans **(Sec. 340)**	The Government Accountability Office (GAO) recently issued a report finding that participants do not understand fee information for retirement plans. The GAO made specific recommendations for improvement.	Uses the GAO report and will require the Secretary of Labor to review and determine appropriate improvements and report such findings to Congress. Report is due within three years of enactment.	All retirement plans subject to fee disclosure	Within 3 years from enactment	
Section 402(f) notices — report to Congress **(Sec. 336)**	At time of certain distributions from a retirement plan, a participant must be provided a 402(f)/ Special Tax Notice which addresses distribution and rollover options and the effect on taxation.	Government Accountability Office to provide report to Congress on effectiveness of 402(f) notices and to make suggested changes to improve an individual's understanding of the distribution options and taxation rules. Report is due no later than 18 months after enactment.	All plans subject to 402(f) notice requirement	Upon enactment	
Consolidation of defined contribution plan notices **(Sec. 341)**	A defined contribution plan (subject to ERISA) is required to provide various notices to plan participants to meet ERISA and the IRS Tax Code requirements. This can often cause repetitive disclosures.	Secretary of Treasury and Secretary of Labor are directed to adopt regulations allowing (but not requiring) plan sponsors to consolidate two or more mandatory notices. It further states that it does not prevent the consolidation of other required notices to the extent otherwise permitted. Regulations are to be promulgated within two years of enactment	Defined contribution plans subject to notice requirements	Upon enactment	The consolidation of notices would be welcome for most plan sponsors. Note: This should not prevent a plan sponsor from combining certain notices in the same mailing (as of a current date).

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Defined benefit — Information Needed for Financial Options Risk Mitigation (INFORM) Act **(Sec. 342)**	Currently, a defined benefit plan is permitted to offer "pension buy-outs" (lump sum payments in lieu of future stream/lifetime payments).	Plan sponsors will be required to provide certain information comparing lump sum buy-outs vs. the value of the stream of payments as well as additional information. Plan sponsors will be required to provide information to the DOL and Pension Benefit Guaranty Corporation (PBGC) on the buy-outs being offered and the participant notice.	Defined benefit plans	Date based on new regulations	Department of Labor (in consultation with the Treasury) to issue new regulations within no earlier than one year from enactment. The goal is to help participants make a more informed decision regarding their options.
Eliminate unnecessary retirement plan requirements related to unenrolled participants **(Sec. 320)**	Currently, employees who elect not to participate are required to receive various disclosures and notices.	Changes the requirements (under ERISA and the IRS Tax Code) so that defined contribution plans only have to provide an annual notice to unenrolled participants of their eligibility to participate and provide any otherwise required document requested by an unenrolled participant.	Defined contribution plans subject to ERISA	Plan years beginning after 12/31/2022	

Defined benefit plans

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Defined benefit annual funding notices **(Sec. 343)**	Defined benefit plans that are subject to ERISA title IV are required to provide an annual funding notice to the PBGC, plan participants and beneficiaries, labor organizations, etc. The notice includes the plan's funding %, statement of assets and liabilities, investment of plan assets, benefits that are guaranteed by the PBGC, etc.	Requires plan to provide additional funding information including: 1. statement value of the plan's assets and liabilities for the preceding two years; 2. statement of number of participants who are retired or separated from service and receiving benefits, retired or separated and entitled to future benefits and active participants under the plan for the preceding two years; and 3. information regarding average return on assets for the plan year. For single employer plans, two additional requirements: 1. a statement of whether the funded status of plan for current and two preceding plan years is at least 100% (and if not, the actual %); and 2. a statement that if the plan assets are determined to be insufficient to pay vested benefits that are not PBGC-guaranteed, participants and beneficiaries may receive benefits in excess of the guaranteed amount and that such a determination generally uses assumptions that result in a plan having a lower funded status compared to the "stated" funded status.	Defined benefit plans	Plan years beginning after 12/31/2023	This requires defined benefit plans to disclose additional information regarding the funded status of the plan, assets and liabilities, investments and PBGC-guaranteed benefits.

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Cash balance plans **(Sec. 348)**	Various technical requirements apply in the plan design (cash balance plans use pay credits and interest credits).	Permits cash balance plans to have more flexibility with plan design including a projected interest crediting rate that is reasonable but not in excess of 6%.	Cash balance and hybrid plans	Plan years beginning after date of enactment	This should permit cash balance and hybrid plans to provide larger “contributions” through pay credits without failing certain rules and requirements.
PBGC variable rate premiums — indexing **(Sec. 349)**	PBGC variable rate premium requirements apply to defined benefit plans subject to Title IV of ERISA. This is for unfunded vested benefits under the plan. For 2023, the PBGC variable rate is $52 for each $1,000 of unfunded benefits (indexed for inflation).	Eliminates the indexing — the premium will be $52 per each $1,000 of unfunded vested benefits.	Defined benefit plans subject to PBGC coverage and premiums	Upon enactment	
Correction of mortality tables **(Sec. 335)**	Minimum funding for defined benefit plans uses mortality rates which are based on mortality tables.	Directs Secretary of Treasury to update minimum funding regulations to apply a cap on mortality improvement rates. Plans are not required to assume beyond the plan’s valuation date mortality improvements greater than .78% at any age.	Defined benefit plans	Date of enactment	Treasury to amend the relevant regulation within 18 months of enactment.
Enhancing retiree health benefits in pension plans **(Sec. 606)**	Currently, a plan sponsor may use assets from an overfunded defined benefit plan to pay future retiree health and life insurance benefits (under IRS Tax Code Sec. 420). The current rules will sunset at the end of 2025.	Extends sunset date from 2025 to 2032. The transfer is limited to 1.75% of the defined benefit plan’s assets and the plan must be at least 110% funded.	Defined benefit plans	Transfers made after the date of enactment	

Plan corrections

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Expansion of the Employee Plans Compliance Resolution System (EPCRS) **(Sec. 305)**	Current rules permit plan sponsors to self-correct certain failures (but only if the error is *insignificant* or is substantially corrected within a three-year period).	Expands the types of errors and/or failures that may be self-corrected under EPCRS at any time, regardless of whether they are significant or insignificant. The self-correction will be available unless (i) the IRS identified the failure before the correction started or (ii) the error was not completed in a reasonable period after the failure was identified. A loan error that is an eligible inadvertent failure may be self-corrected under EPCRS. The DOL must treat the self-corrected failure as meeting the requirements of the DOL Voluntary Fiduciary Correction Program, but they may also impose other reporting or procedural requirements. The Treasury is directed to expand EPCRS to (i) allow IRA custodians to address eligible inadvertent failures, and (ii) add preapproved correction methods for eligible inadvertent failures, including general principles of correction. Updates to Rev. Proc 2021-30 to be made within two years.	401(a)/(k), 403(b), SIMPLE IRA, and SEPs	Upon enactment	This is welcome relief as it will make it easier for plan sponsors to correct various errors under their retirement plans.

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Recovery of retirement plan overpayments **(Sec. 301)**	Currently, a retirement plan that has overpaid a participant is required to take certain steps to correct and/or recoup the overpayment. The current IRS correction program contains certain requirements to keep the plan in compliance.	A retirement plan will not fail to be a qualified/tax-favored plan due to the fact the plan fails to recover an "inadvertent benefit overpayment" or otherwise amends the plan to permit the increased payment/benefit. In some situations, the overpayment may be treated as an eligible rollover (which is different from what is currently permitted). This also provides relief to the fiduciary for failure to make the plan whole. For plans subject to minimum funding requirements, the plan sponsor must satisfy and prevent or restore an impermissible forfeiture. For offsets and collection efforts for an ERISA plan: 1. If a plan sponsor elects to offset future payments to recover the overpayment (restrictions will be applied) and, 2. For collection efforts, efforts to recoup these amounts from the participant will be restricted (such as no interest will apply and the amount must be recovered within three years).	401(a)/(k), 403(b)	Upon enactment along with certain retroactive relief	This is welcome relief as overpayments may be problematic to address/handle with a plan participant. This assures the plan sponsor that the plan's status will not be impacted.

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Safe harbor for correction of employee elective deferral failures **(Sec. 350)**	EPCRS provides for the requirements to fix certain errors, including failures with elective deferrals. The current safe harbor in EPCRS is scheduled to expire on 12/31/2023.	Establishes safe harbor for the correction of missed employee deferrals merely because of "corrected error," which is a reasonable administrative error made in implementing auto enrollment, auto escalation, or by failing to offer an affirmative election due to the employee's improper exclusion from the plan — as long as the error is corrected within 9 ½ months after the end of the plan year in which the error occurred (or the date the employee notifies the plan sponsor of the error, if earlier). The error needs to be resolved favorably toward the participant and without discrimination, and an employee notice must be provided within 45 days of the date on which the correct deferrals begin. This safe harbor does not require a corrective contribution (such as a QNEC) for the missed deferrals, but the plan sponsor is required to contribute the missed employer matching contribution (plus earnings).	401(a)/(k), 403(b), 457(b) governmental, IRAs	Errors must be corrected prior to 9 ½ months after the end of the plan year in which the mistakes were made. Effective for errors occurring after 12/31/2023.	The safe harbor rule eliminates the corrective contribution for missed deferrals as long as certain requirements are met. This will be welcome news by most plan sponsors (as errors may be made by even the most detail-oriented employers).

IRAs, SEPs, SIMPLE IRAs, and 529s

Provision	Current	New	Plans impacted	Effective date	Comment/notes
IRA catch-up limit **(Sec. 108)**	Age 50 catch-up is limited to $1,000 per year (not indexed for inflation)	IRA age 50 catch-up contributions will be indexed in $100 increments	IRAs	Taxable years beginning after 12/31/2023	This will follow the same indexing an IRA currently uses for regular contributions
Additional non-elective contributions to SIMPLE plans **(Sec. 116)**	Currently, employers are required to make an employer contribution of 2% of compensation or a match of 100% of an employees' elective deferral contributions that do not exceed 3% of compensation.	Permits an employer to make an additional contribution (must be uniform) as long as it does not exceed the lesser of 10% of compensation or $5,000 (indexed for inflation)	SIMPLE plans	Taxable years beginning after 12/31/2023	
Contribution limits for SIMPLE IRAs **(Sec. 117)**	Currently, a SIMPLE IRA may be sponsored by an employer with 100 or fewer employees. The annual contribution limit for SIMPLE IRA is $15,500 and the age-50 catch-up limit is $3,500 (2023 limits). Employer is required to make either (i) a 3% employer matching contribution or (ii) a 2% non-elective contribution.	For employers with no more than 25 employees — Increases annual deferral limit to 110% of 2024 SIMPLE IRA plan limit (indexed) and the catch-up contribution limit at age 50 to 110% of the 2024 SIMPLE IRA plan limit (indexed). For employers with 26 to 100 employees — permitted to provide higher deferral limits only if the employer provides either (i) 4% employer matching contribution or (ii) 3% employer contribution.	SIMPLE IRAs	Tax years beginning after 12/31/2023	Makes similar changes to SIMPLE 401(k) plans

Provision	Current	New	Plans impacted	Effective date	Comment/notes
One-time election for qualified charitable distribution (QCD) to split-interest entity; increase in charitable limitation **(Sec. 307)**	Certain charitable distributions from an IRA are excluded from gross income of the individual (up to $100,000).	Allows an individual to make a one-time election up to $50,000 (indexed for inflation) for QCD to certain split-interest entities (charitable remainder annuity trusts, charitable remainder unitrust, and charitable gift annuities). The current $100,000 IRA charitable deduction limit will be indexed for inflation.	IRAs	$50,000 one-time election: tax years beginning after date of enactment $100,000: limit indexing is effective for distributions made in taxable years ending after the date of enactment	
SIMPLE IRAs and SEPs — Roth IRAs **(Sec. 601)**	SIMPLE IRAs and SEPS may not offer a Roth option (pretax contributions only)	SIMPLE IRAs and grandfathered SARSEPs may now allow Roth IRA contributions. A SEP may now allow a participant to elect to have their employer contribution treated as a Roth amounts.	SEPs and SIMPLE IRAs	Taxable years beginning after 12/31/2022	
529 plans — special rules for certain distributions from long-term qualified tuition programs to Roth IRAs **(Sec. 126)**	Amounts in an IRS Tax Code Sec. 529 qualified tuition program (that are unused) may not be rolled over to a Roth IRA or any other type of retirement plan.	Permits funds in a 529 qualified tuition program (that has been maintained more than 15 years for a designated beneficiary) to be rolled over to a Roth IRA for the benefit of the beneficiary. The rollover is subject to annual Roth IRA contribution limits and for the Roth IRA owner has includible compensation equal to at least the amount of the rollover. Rollovers would be limited to 1) the aggregate amount of contributions to the account (and earnings) before the five-year period ending on the date of the rollover, and 2) a lifetime income limit of $35,000.	529 plans and Roth IRAs	Distributions after 12/31/2023	This may remove hesitancy about funding 529s, owing to concerns about leftover funds being subject to tax penalties when later withdrawn.

Provision	Current	New	Plans impacted	Effective date	Comment/notes
SIMPLE IRA replaced mid-year with 401(k) safe harbor plan **(Sec. 332)**	Current rule is that SIMPLE IRA plans may not be replaced mid-year. Requires the SIMPLE IRA to be in place for at least two years in order to facilitate a rollover to the 401(k) plan.	An employer is permitted to replace a SIMPLE IRA plan with a 401(k) safe harbor plan (or other 401(k) plan with mandatory employer contributions) mid-year (as long as certain requirements are met). The two-year rollover limitation in converting to a 401(k) or 403(b) plan is waived.	SIMPLE IRA, 401(k), 403(b)	Plan years beginning after 12/31/2023	
IRA — statute of limitations for excise tax **(Sec. 313)**	Excise tax applies to excess contributions made to an IRA (Section 4973) and failure to distribute RMDs (Section 4974). Statute of limitations (three years) starts only after Form 5329 is filed.	Form 5329 is no longer required in order to start the statute of limitations running — filing of the income tax return starts the statute of limitations clock. The statute of limitations is three years (six years for excess contributions).	IRAs	Upon date of enactment	
Tax treatment of certain non-trade or business SEP contributions **(Sec. 118)**	Currently, a 10% excise tax applies on non-deductible contributions.	Contributions made to a SEP IRA or SIMPLE 401(k) that are not deductible (due to the fact they are not in conjunction with a trade or business) may be excluded from the 10% excise tax.	SEP IRA, SIMPLE 401(k)	Taxable years beginning after date of enactment	This permits employer of domestic employees (nannies, for example) to provide them with retirement benefits.
Section 529A plans — modification of age requirement for qualified ABLE program **Achieving a Better Life Experience (ABLE) program** **(Sec. 124)**	Section 529A provides the ability for a state to offer a tax-favored savings option to benefit disabled individuals (the ABLE program). Eligibility is limited to individuals who become blind or disabled before turning age 26.	Increases the ABLE account eligibility from age 26 to age 46	529A/ABLE program	Taxable years beginning after 12/31/2025	

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Tax treatment of IRAs involved in prohibited transaction **(Sec. 322)**	Currently, if an IRA owner or beneficiary engages in a prohibited transaction for an IRA, the IRA loses tax-favored status the first day of the taxable year in which the prohibited transaction occurs.	Provides clarification (for the tax/prohibited transaction) that each IRA of the individual will be treated as a separate contract — only the IRA involved in the prohibited transaction will be disqualified.	IRAs	Effective for any determination of, or affecting liability for, taxes, interest or penalties that is made on or after the date of enactment. The act or failure to act upon which the determination is based may have occurred prior to the enactment date.	
Elimination of additional tax on corrective distributions of excess contribution **(Sec. 333)**	Currently, corrective distribution of excess contribution to an IRA (plus earnings) are subject to a 10% early withdrawal penalty.	Corrective distributions (and earnings) are exempt from the 10% early withdrawal penalty.	IRAs	Effective for any determination of, or affecting, liability for taxes, interest or penalties that are made on or after the date of enactment (regardless if act or failure to act occurred before that date)	

Miscellaneous

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Family attribution rules — changes/ reform **(Sec. 315)**	Currently, family attribution rules create disparities between community property law states and separate property law states for purposes of ownership and attribution in determining the employer and for controlled group and affiliated service groups.	Provides for additional rules associated with family attribution which will disregard community property laws for the determination of ownership. Also modifies the attribution of stock ownership between parents and minor children.	Plans subject to 410(b) testing and ownership rules	Plan years beginning after 12/31/2023	
Exemption for certain automatic portability transactions **(Sec. 120)**	Employer may distribute a participant's account balance without consent if the account balance is less than $5,000. Also, employer may roll account balances of at least $1,000 into an IRA absent participant election otherwise.	Creates statutory exemption from prohibited transaction provisions of the Tax Code (but not ERISA) for the receipt of fees by an "automatic portability provider" (APP) in connection with the transfer of funds to an IRA or other retirement plan.	Plans subject to ERISA	Effective for transactions occurring 12 months from enactment and thereafter	The APP must acknowledge fiduciary status with respect to the IRA; may only receive reasonable compensation; must conduct an annual audit for submission to DOL; must comply with other requirements as well. DOL is required to issue guidance or regulations within 12 months of enactment, and furnish periodic reports to Congress on APPs.
Employee stock ownership plan (ESOP) — deferral of taxes for certain sales of employer stock **(Sec. 114)**	Currently, an individual stock owner in a non-publicly traded C-corp that sponsors an ESOP may elect to defer recognition of gain if the seller reinvests the sales proceeds into a qualified replacement property.	Expands the gain deferral provision — a 10% limit on the deferral, to sales of employer stock to S corporation ESOPs	Certain ESOPs	Sales of stock after 12/31/2027	
Treatment of certain securities in ESOPs **(Sec. 123)**	N/A	Updates certain ESOP rules related to whether a security is a publicly traded employer security and readily tradeable on an established securities market.	ESOPs	Plan years beginning after 2027	Allows companies with liquid securities that are quoted on non-exchange markets to treat their stock as "public" for ESOP purposes (making it easier for these companies to offer ESOPs).

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Application of Section 415 for certain employees of rural electric cooperatives **(Sec. 119)**	In a defined benefit plan, Section 415 limits the amount that that may be paid to a plan participant. In 2023 limits are the lesser of $265,000 or 100% of the participant's average compensation.	For non-highly compensated employees, it eliminates the compensation-based limit for eligible rural electric cooperative plans.	Defined benefit plans of rural electric cooperatives	Limitation years ending after date of enactment	
Review of pension risk transfer interpretative bulletin **(Sec. 321)**	DOL Interpretative Bulletin 95-1 — guidance for a fiduciary in selecting and annuity provider for a defined benefit plan	DOL is required to review the current bulletin and determine if any changes are warranted. Report to be submitted to Congress within one year of enactment.	Defined benefit plans	Within one year from enactment	
DOL report on pooled employer plans (PEPs) **(Sec. 344)**	N/A	DOL is required to review and study PEPs (numbers, participants, fees, disclosures, etc.). Report to be published within five years of enactment and every five years thereafter.	PEPs	Within five years of enactment	Reports are to provide recommendations on how PEPs can be improved to serve and protect participants.
Promotion of saver's match **(Sec. 104)**	Eligible taxpayers receive a nonrefundable income tax credit up to $2,000.	Treasury is directed to take steps to increase public awareness of the new saver's match and report to Congress no later than July 1, 2026.	Eligible plans	Effective upon enactment	See Sec. 103 above.
Guidance from Treasury on rollovers **(Sec. 324)**	N/A	Secretary of Treasury to create and release sample forms to simplify, standardize, facilitate, and expedite: 1. eligible rollovers from an employer sponsored retirement plans to other such plans and IRAs, and 2. trustee-to-trustee transfers between IRAs. Completed no later than 1/1/2025.	Eligible rollover employer sponsored retirement plans and IRAs	Effective upon enactment	Sample forms to be developed and released no later than 1/1/2025

Provision	Current	New	Plans impacted	Effective date	Comment/notes
Indian Tribal government domestic relations orders **(Sec. 339)**	Currently, benefits/accounts may not be assigned except based on state domestic relations orders.	A domestic relations order issued by a Tribal government can be recognized as a qualified domestic relations order (QDRO).	Any plan that is otherwise subject to QDRO rules.	Domestic relations orders received by a plan sponsor after 12/31/2022	This should also include any orders that are submitted for reconsideration after the effective date.
Worker Ownership, Readiness, and Knowledge (WORK) Act **(Sec. 346)**	N/A	Creates an employee ownership and participation initiative at the DOL to provide technical assistance to individuals seeking to start employee-owned businesses. Funds to be made available via grant program.	N/A	Upon enactment	Funds are authorized to be appropriated for the purpose of making grants for fiscal years 2025-2029.
Report by the Secretary of Labor on impact of inflation on retirement savings **(Sec. 347)**	N/A	Provides direction to the DOL to study impact of inflation on retirement savings and submit a report of their findings to Congress no later than 90 days after date of enactment.	N/A	Upon enactment	

Plan amendments

SECURE 2.0 Act plan amendments (Sec. 501)— For most plan sponsors, the amendment deadline is the end of the 2025 plan year. For governmental and collectively bargained plans, the deadline is the end of the 2027 plan year. Plan sponsors must operate their plans in “good faith” based on required and optional plan provisions.

Extends plan amendment deadlines for SECURE Act, CARES Act and Taxpayer Certainty and Disaster Relief Act of 2022 — the new remedial amendment period dates are as stated in previously issued IRS notices. Sec. 401 of SECURE 2.0 Act also provided various technical updates including:

1. Clarifies auto enrollment 401(m) safe harbor plans must meet the notice requirements of IRS Tax Code Section 401(k)(13(E);
2. Changes made to the long-term, part-time workers, rules;
3. Excise tax on excess contributions to an IRA generally does not apply to difficulty of care payments contributed to an IRA;
4. Additional clerical amendment to fix various cross references impacted by SECURE 2.0 Act.