

Understanding the SECURE Act 2.0



In the final days of 2022, Congress passed SECURE 2.0, the new set of retirement rules designed to facilitate contributions to retirement plans and access to those funds earmarked for retirement. This sweeping legislation has dozens of significant changes.

Here is a timeline covering a few of the major provisions of the new law.

2023

- RMD age increased from 72 to 73
- Employers can make Roth contributions to SIMPLE and SEP plans for employees
- RMD penalty reduced from 50% to 25%
- Small business credit for establishing a workplace retirement plan increased from 50% to 100%
- Over 50 catch-up contribution increased from \$6,500 to \$7,500
- Qualified Charitable Donation limit indexed for inflation

2024

- \$1,000 emergency withdrawals allowed from retirement accounts
- 529 plans can rollover into a Roth IRA
- Companies can match student loan payments with retirement contributions
- Roth 401(k)s and Roth 403(b)s no longer have RMDs
- Qualified Charitable Donation limit indexed for inflation

2025

- Employers must automatically enroll employees in workplace retirement plans
- Part-time workers who have worked at least 500 hours per year for two consecutive years are eligible to participate in a retirement plan
- \$10,000 catch-up contributions now available for those aged 60-63
- Qualified Charitable Donation limit indexed for inflation



DISCLOSURES

- 1. Retirement rules can change without notice, and there is no guarantee that the treatment of specific rules will remain the same over time. This article intends to give you a broad overview of SECURE 2.0. It's not intended as a substitute for real-life advice regarding your retirement strategy.*
- 2. Roth IRA distributions must meet a five-year holding requirement and occur after age 59 ½ to qualify for the tax-free and penalty-free withdrawal of earnings. Tax-free and penalty-free withdrawals are allowed under certain other circumstances, such as the owner's death. The original Roth IRA owner is not required to take minimum annual withdrawals.*

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