



Thank you for joining us!

The presentation will begin shortly

Secure Act 2.0

How the Act Will Impact Your Retirement Plan

Wednesday, April 26, 2023



CPAs & ADVISORS



AMERICAN
RETIREMENT
ASSOCIATION

Working for America's Retirement

Jennifer McCahill, CPA

Partner, Audit
GRF CPAs & Advisors

Andy Remo, Director of

Legislative Affairs

American Retirement Association

Gelman, Rosenberg & Freedman CPAs

GRF CPAs & Advisors



Personal
Service With
Powerful
Solutions

Since 1981

700+ nonprofits



- Washington Business Journal's
Top 25 Accounting Firms
- Accounting Today's
Top Firms in the Capital
Region for 2022



CPAs & ADVISORS



Working for America's Retirement

Housekeeping

Additional Information

Learning Objective To provide attendees with a timely update on the “Setting Every Community Up for Retirement Enhancement (SECURE)” 2.0 Act	Instructional Delivery Methods Group Internet-based
Recommended CPE 1.0 CPE Credit	Recommended Fields of Study Specialized knowledge
Prerequisites None required	Advance Preparation None
Program Level Basic	Course Registration Requirements None
Refund Policy No fee is required to participate in this session.	Cancellation Policy In the event that the presentation is cancelled or rescheduled, participants will be contacted immediately with details.
Complaint Resolution Policy GRF CPAs & Advisors is committed to our participants’ 100% satisfaction and will make every reasonable effort to resolve complaints as quickly as possible. Please contact kdavis@grfcpa.com with any concerns.	
Disclaimer This webinar is not intended as, and should not be taken as, financial, tax, accounting, legal, consulting or any other type of advice. Readers and users of this webinar information are advised not to act upon this information without seeking the service of a professional accountant.	

Presenters

Meet the instructors



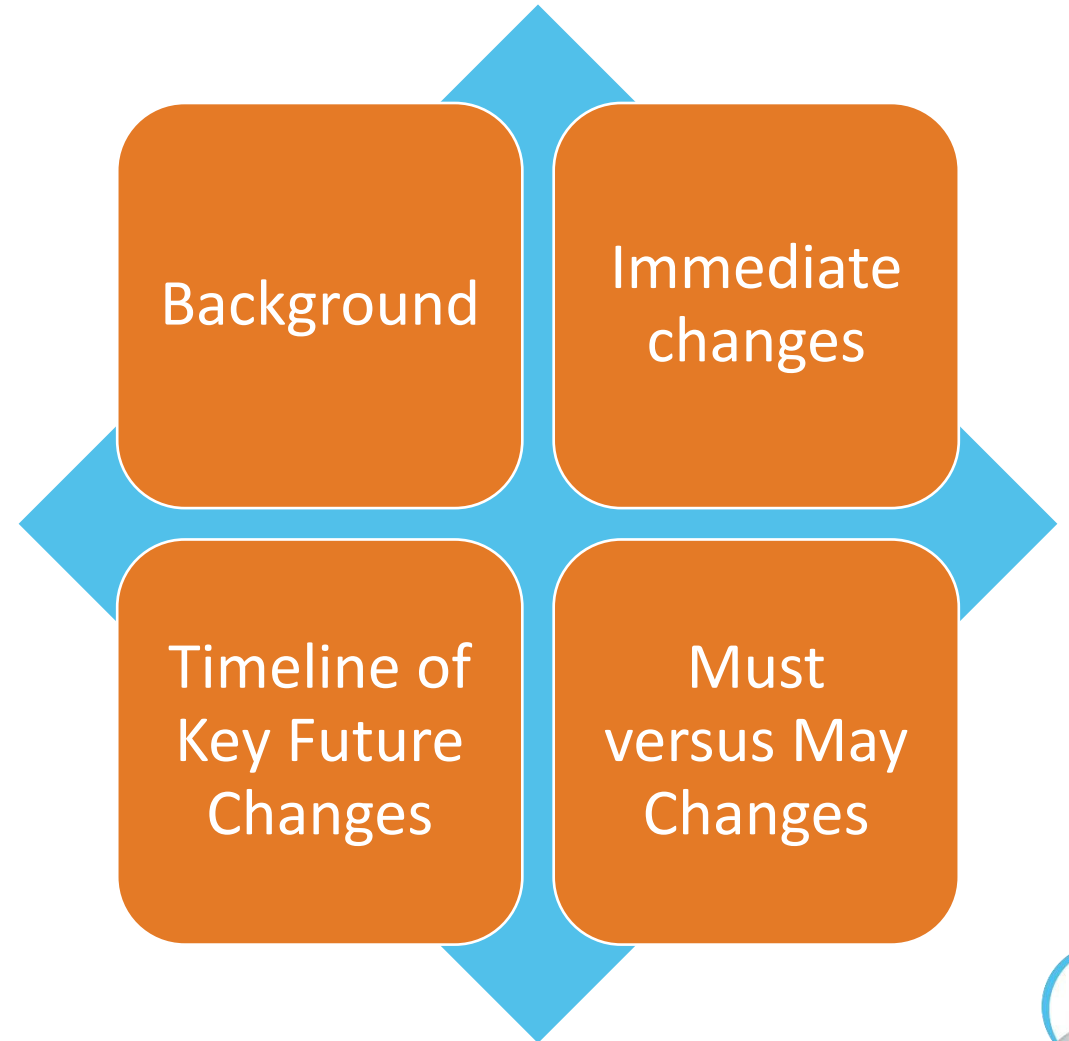
Partner, Audit
GRF CPAs & Advisors



Director of Legislative Affairs
American Retirement Association



What we will cover today



Polling Question #1

Are you aware of the changes that may impact your plan under the Secure 2.0 Act?

- A. *Yes*
- B. *No*
- C. *Unsure*

Background of Secure 2.0

Setting Every Community Up for Retirement Enhancement (SECURE) Act 2.0

- Became a law on December 29, 2022
- Aims to address the following three goals
 - Get people to save more for retirement plans
 - Improve the retirement rules
 - Lower the Employer cost of setting up a retirement plans
- The Act has over 90 provisions that will go into effect starting immediately through 2025 and later
- We will focus on some of the more notable changes that will impact employers and employees

Immediate Changes

What must I do now?



Qualified Birth or Adoption Distributions

Limits repayment of QBOAD to 3-year period.

Existing distributions must be repaid by 12/31/2025



Required Minimum Distributions

Increases age to 73 starting January 1, 2023

May need to communicate to those few participants this would impact, near or at the age.



New rules on correcting overpayments

Restricts sponsor to collect overpayment on excess contributions to 3-years, if not the employees fault.

What Must be done by December 31, 2023



Catch up contributions **required to have a roth option**, effective for plan years beginning January 1, 2024. Individuals earning more than \$145k in prior year, are required to be roth.



Part-time EE's with 500hrs or more for 3 years starting January 1, 2024 and 2 years starting January 1, 2025, **must be able to participate in plan**. ER contributions not required, not included in compliance testing.

Polling Question #2

Will these immediate changes impact your plan by the end of 2023?

- A. *Yes*
- B. *No*
- C. *Unsure*

What Must be done by December 31, 2025

- Paper Statement Mandate
 - Starting 2026, required one quarterly benefit statement to be mailed unless participants opt out
- Secure Act 2.0 Amendment Deadline
 - Must formally amend the plan with changes by December 31, 2025
 - Governmental plans have until 2027
- Retirement Savings Lost and Found
 - DOL must establish an online database of unclaimed benefits of beneficiaries in ERISA plans.
- New plans must have an auto-enrollment feature – min 3% up to 10%
 - Exclusion for new companies less than 3 years old or companies with <10 EEs



What May be done Immediately



- Employer may rely on employee self certification of hardship distributions (effective for plan years beginning after 12/29/2022)
- Eliminate certain disclosures for eligible, non-enrolled participants
- Optional roth treatment for employer contributions
 - Plan sponsor may allow participants to elect employer contributions to be designated as Roth

What May be done Immediately

- Permanent rules for natural disasters
 - If added to plan, automatically allows penalty free withdrawals up to \$22k for individuals impacted by disaster
 - Permits higher loan limits (\$100k or 100%)
 - May apply prospectively or retroactively to disasters occurring 1/26/2021
- Small financial incentives for contributions



What May be done Starting January 1, 2024



- Student loan matching program
- Distributions for emergency expenses – up to \$1k per year; self-certified; repayment required before next distribution
- Pension linked emergency savings accounts
 - If adopted, must auto enroll at 3% and match contributions to the account (match dollars go to a 401(k) plan)
 - \$2,500 max in the account
 - Highly Compensated Employees not allowed to contribute

What May be done Starting January 1, 2024

- Cash out amount increased to \$7k for distributions after 12/31/2023
- Penalty free withdrawals up to \$10k for domestic abuse victims
- Adopt discretionary amendment up until tax return date of prior year
- Auto-portability services authorized (after 12/29/2023)



What May be done Starting January 1, 2025

- Catch up contribution limit increased to \$10k
 - Only in years participants attain ages 60-63
 - 150% of 2024 catch-up limit (currently that would be \$11,250)
 - Effective January 1, 2025



Polling Question #3

Did you learn a few key take-aways to bring back to your own organization?

- A. *Yes*
- B. *No*
- C. *Unsure*

Savers match program

- Changes tax credit to government match regardless of tax liability
- 50% match on contributions up to \$2k per person
- Match phased out between \$41k - \$71k for joint filers (half for singles)
- Effective in 2027



Time-Table of Changes - Click PDF



Adobe Acrobat
Document





Plan Sponsor Certification

-

Click Link

www.psca.org/CPSP



Questions?

Contact Us



CPAs & ADVISORS



Offices in DC and New York
Serving clients across the globe
301-951-9090 | www.grfcpa.com



Jennifer McCahill, CPA

Partner, Audit
GRF CPAs & Advisors
jmccahill@grfcpa.com



Andy Remo

Director of Legislative Affairs
American Retirement Association
aremo@usaretirement.org

Disclaimer

This webinar is not intended as, and should not be taken as, financial, tax, accounting, legal, consulting or any other type of advice. While we use reasonable efforts to furnish accurate and up-to-date information, we do not warrant that any information contained in or made available in this presentation is accurate, complete, reliable, current or error-free. We assume no liability or responsibility for any errors or omissions in the content of this presentation.

The use of the information provided in this presentation does not establish any contractual or other form of client engagement between GRF CPAs & Advisors and the reader or user. Any U.S. federal tax advice contained in this presentation is not intended to be used for the purpose of avoiding penalties under U.S. federal tax law. Readers and users of this presentation information are advised not to act upon this information without seeking the service of a professional accountant.