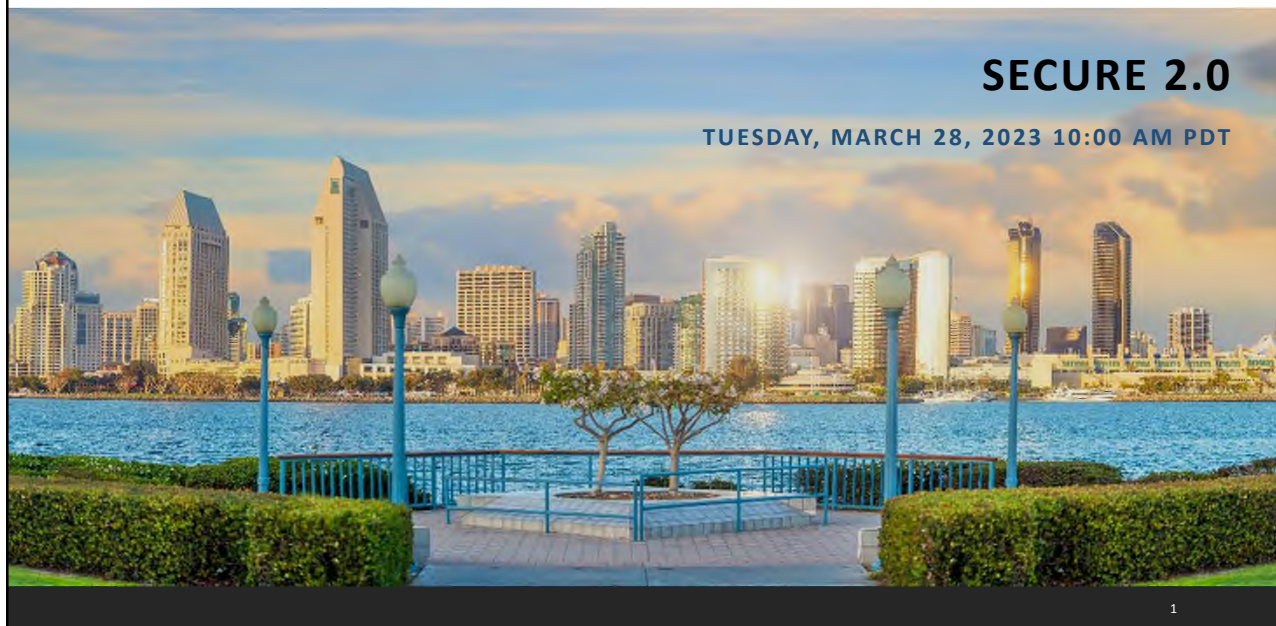


SPECIAL CLIENT WEBINAR



Introductions



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VICE PRESIDENT, COMPLIANCE



STACY MENDENHALL
BRAND AND CONTENT
MANAGER

Agenda





-  2024 + Secure 2.0 Act Provisions Overview
-  Recap
-  Plan Amendments
-  Key Takeaways

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Secure 2.0 Act 2024 + Provisions

RETIREMENT ACCOUNT
PROVISIONS

SIGNED DECEMBER 29, 2022

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Secure 2.0 Overview



Options Include:

- 92 retirement provisions
 - 45 provisions effective in 2023 and retroactive
 - 24 provisions effective in 2024
 - 23 provisions effective in 2025 +

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Abbreviations in Presentation

- DB – Defined Benefit Plan
- DC – Defined Contribution Plans including MPP, PSP, ESOP, other
- DOL – Department of Labor
- EPCRS – Employee Plans Compliance Resolution System
- ESOP – Employee Stock Ownership Plan
- Gov't – Governmental
- HCE – Highly Compensated Employee
- LTPT – Long-term part-time employees
- MEP – Multiple Employer Plan
- MPP – Money Purchase Pension Plan
- NHCE – Nonhighly Compensated Employee
- PBGC – Pension Benefit Guaranty Corporation
- PEP – Pooled Employer Plan
- PSP – Profit Sharing Plan
- RMD – Required Minimum Distribution



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Roth Catch-Up Contributions for High Wage Earners

- Catch-up contributions must be Roth contributions for participants whose prior year FICA wages exceed \$145,000 (indexed)
- Based on calendar year, not plan year
- Administrative difficulty - catch-ups are often determined after the end of the plan year
 - Catch-ups occur when participant exceeds the maximum
 - 401(k)/403(b)/457(b) elective deferral limit (2023 = \$22,500 (\$30,000 age 50+)
 - 415 limit (2023 = lesser of 100% of pay or \$66,000 (\$73,500 age 50 +))
 - Employer provided limit, e.g., HCEs limited to 10% of pay deferral
 - 401(k) ADP testing failure
- Plans with no Roth, cannot allow catch-ups for high wage earner employees
- Does not apply to SIMPLE IRA or Salary Reduction SEP

Effective Date	Taxable years after 12/31/2023
Plan(s)	401(k), 403(b), Gov't 457(b)
Required?	Yes

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Student Loan Payments May be Matched

- Match must be on “Qualified Student Loan Payments”
 - Student loan must be for employee (how about loans for children?)
 - Loan is for qualified higher education expenses
 - Student must have carried ½ the full student load
 - Applies to current payments, not past payments
- Employee must be eligible for matching contributions on elective deferrals
- Employer can establish reasonable procedure to claim match including a deadline not earlier than 3 months after end of plan year
- Employer may rely on employee certification



Effective Date	Plan years beginning after 12/29/2023
Plan(s)	401(K), 403(b), Gov't 457(b), SIMPLE Plans
Required?	No

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Matches on Student Loan Payments Compliance Issues

- Maximum deferral limit match – employers can only take into account the maximum deferral limit, e.g., \$22,500 limit in 2023, when making a match on deferrals and student loan payments
- Rate of match must be the same as on elective deferrals
- Match must be made at least annually, more frequently allowed
- Match must vest the same as elective deferral matches
- Matching contributions on student loan payments count toward
 - Coverage testing
 - ACP (matching) nondiscrimination testing
 - May count toward meeting safe harbor matching contribution
- ADP testing – match on student loan payments can be excluded but must be tested separately

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Matches on Student Loan Payments Implement in 2024?

- Employers must establish procedures on obtaining student loan confirmation from employees
- Many questions
 - Which loans can be claimed, employee and/or dependents?
 - How can this process be automated?
- IRS guidance is needed



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Emergency Savings Accounts

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Emergency Savings Accounts

- Allows employee contributions into plan for short-term emergency savings
 - Employers can auto enroll employees at no more than 3% of pay
- Maximum accumulative contribution amount of \$2,500 (indexed)
 - Employer can set lower amount
 - Employee can replenish after withdrawal of contributions
- Contribution is a post-tax Roth contribution and is accounted for separately than any other contributions

Effective Date	Plan years beginning after 12/31/2023
Plan(s)	401(k), 403(b), Gov't 457(b)
Required?	No

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Emergency Savings Accounts

- **How plans handle excess contributions:**
 1. Allow participant to treat excess as Roth elective deferral
 2. Treat excess as Roth elective deferral unless participant opts out
 3. Reject the contribution
- **Contributions must be invested in an interest-bearing account or investment that preserves principal at a reasonable interest rate**

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Emergency Savings Accounts

- **Only non-highly compensated employees can contribute**
 - Must suspend contributions if employee becomes highly compensated employee (HCEs determined at beginning of plan year)
 - HCEs can continue to spend down account
- **Employers must treat ESA contributions like deferrals and match up to \$2,500 if a match is made to all participants**
 - Match is deposited into participant's match account, not ESA
 - Match subject to match vesting schedule
 - No requirement to forfeit or suspend match on withdrawals

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Emergency Savings Accounts

- Distributions must be allowed at least once/month
 - No restrictions and there may be no need for spousal consent if plan requires
 - No fees can apply to first 4 withdrawals per year
 - Service providers can charge employers for first 4 withdrawals
 - ESA must be exhausted before the participant takes a hardship distribution
- Withdrawals are treated as qualified Roth distributions
 - No tax on distribution including earnings (5-year Roth clock is not applicable)
 - No early 10% tax penalty applies
 - 1099R probably required

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Emergency Savings Accounts

- Terminated participants can elect to:
 - Roll ESA into a Roth account within the plan and from there roll to a Roth IRA
 - Spend down their ESA from plan
 - Unclear whether employers can automatically roll into a Roth IRA

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Emergency Savings Accounts

- Annual notice must be provided explaining the program
 - May be combined with other annual notices
- ESAs cannot be garnished
- Limited fiduciary liability if investments limited to cash investments
- Employer may terminate ESA at any time

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Emergency Savings Accounts – Implement in 2024?

- Complicated administration
 - Separate accounting
 - Tracking the accumulative contributions and limiting to \$2,500
 - Special match calculations and limiting to \$2,500
 - Special distribution rules
 - Lots of distributions and plan cannot charge employee for 4 each year
 - Special investment options
- Administration systems need to be programmed
- IRS guidance needed

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Top-Heavy Rule Change – Existing Rule

- Top-heavy plan – key employees of business own more than 60% of total plan assets
- If plan is top heavy, minimum employer contribution up to 3% of pay
- Example – 401(k) plan is top heavy
 - Eligibility is
 - 401(k) deferral – immediate entry
 - Matching contribution – one year of service
 - 3% top-heavy minimum contribution is required for all employees, even those with under one year of service (does not include terminated employees)

Effective Date	Plan years beginning after 12/31/2023
Plan(s)	401(k)
Required?	No

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Top-Heavy Rule Change – New Rule

- Employers do not need to provide the top-heavy minimum contribution for employees who have not worked 1 year of service
- Will encourage smaller employers to allow employees to defer into the plan sooner after their hire date



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Long-Term Part-Time (LTPT)

- Secure 1.0 - 401(k) plan sponsors must allow long-term part-time employees to defer into the plan
- LTPT is an employee who
 - Has 3 consecutive eligibility years with at least 500 - 999 hours of service in each year (excludes years prior to 2021), and
 - Attained age 21 by end of service period (optional)

Effective Date	Plan years beginning after 12/31/2023
Plan(s)	401(k)
Required?	Yes

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Long-Term Part-Time (LTPT)

- Employers are not required to make contributions to LTPT employees, including top-heavy contributions
- Vesting – if employer makes contribution, must vest for each year employee has at least 500 hours of service
 - Secure 2.0 – only count 2021 + years and not all prior years in which employee had 500 hours
 - Other vesting rules apply, e.g., exclude years prior to the age of 18
- LTPT employees are excluded from compliance tests

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Retroactive Contribution/Benefit Increases

- Allows employer to amend plan retroactively for:
 - Increase in employer nonelective contributions (not matching contributions)
 - Increase in benefit accruals in a defined benefit plan
- Must amend by employer’s federal tax return due date, plus extensions
- Amendment must meet other qualification requirements
 - Must not result in failure to pass coverage or nondiscrimination tests



Effective Date	Plan years beginning after 12/31/2023
Plan(s)	401(k), DC, DB
Required?	No

Starter 401(k) Plans

- Deferral only 401(k) plan (*no employer contributions allowed*)
 - Satisfies ADP test
 - No top-heavy test
- Eligibility for employees
 - Minimum age and service may apply
 - Can exclude union and nonresident aliens
- Must auto enroll at 3% of pay, maximum 15% of pay
- Maximum deferral = \$6,000 (indexed) + \$1,000 catch-up indexed
- Must be only plan of employer
 - Exception if other plan is a union plan



Effective Date	Plan years beginning after 12/31/2023
Plan(s)	401(k)
Required?	No



SIMPLE Plans – Employer Contributions

- SIMPLE IRAs/401(k) – in past limited to
 - Elective deferrals
 - Mandatory employer contributions
- Secure 2.0 allows discretionary employer contributions
 - Maximum contribution equals:
 - Up to 10% of compensation (compensation limited to the 401(a)(17) maximum)
 - \$5,000 (indexed)
 - Only employees with at least \$5,000 in pay are eligible



Effective Date	Tax years beginning after 12/31/2023
Plan(s)	SIMPLE IRA, SIMPLE 401(k)
Required?	No

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SIMPLE Plans – Employee Contributions

- SIMPLE IRAs/401(k) deferrals – current law limited to
 - \$15,500
 - \$3,500 catch-up
- Secure 2.0 allows 10% higher deferral (based on 2023 limits):
 - \$17,050
 - \$3,850 catch-up
- Automatic if employer has fewer than 26 eligible employees
- Employer 26 - 100 can elect higher rate but must increase employer contributions as follows:
 - 3% nonelective (up from 2%)
 - 4% match (up from 3%)



Effective Date	Tax years beginning after 12/31/2023
Plan(s)	SIMPLE IRA, SIMPLE 401(k)
Required?	No

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SIMPLE IRA Plan Midyear Conversion

- SIMPLE IRA plan must exist for an entire year
- New law allows employers to terminate SIMPLE IRA and establish a new plan mid-year
 - SIMPLE 401(k)
 - Safe harbor 401(k) Plan
 - Starter 401(k) Plan
- Special elective deferral limit calculations during conversion year

Effective Date	Plan years beginning after 12/31/2023
Plan(s)	SIMPLE IRA, 401(k)
Required?	No

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SIMPLE IRA Rollovers to 401(k)/403(b)

- Participant cannot roll over money from SIMPLE IRA to a qualified plan in first 2 years of participation
- If employer terminates SIMPLE IRA and establishes a 401(k)/403(b) plan, participant can roll into new plan, regardless of participation years

Effective Date	Plan years beginning after 12/31/2023
Plan(s)	SIMPLE IRA, 401(k), 403(b)
Required?	No

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Secure 2.0 Distribution Provisions in 2024

- Emergency expense distributions
- Domestic abuse distributions
- Automatic rollover increase
- Required minimum distribution changes
 - Roth accounts not included in required minimum distribution calculations
 - Spouse treated like employee upon death of participant
- 403(b) hardship distributions

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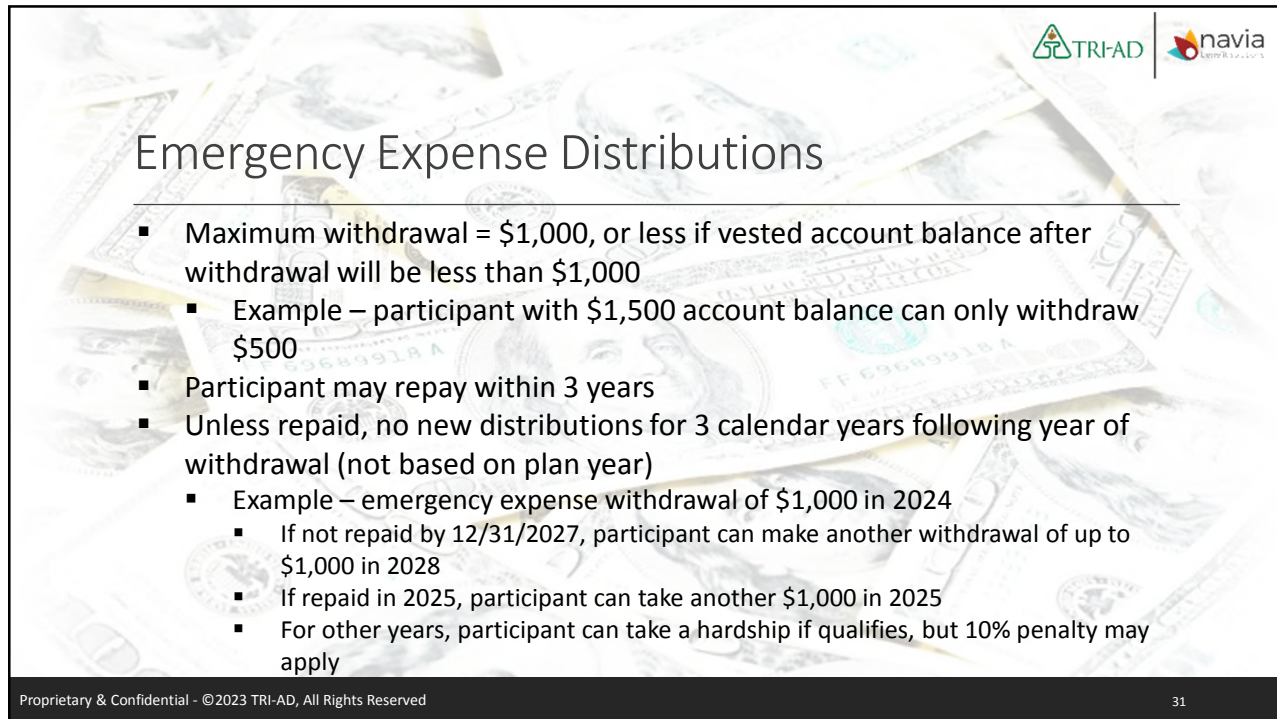
Emergency Expense Distributions



- One time/year distribution for personal emergency expense
- No restrictions on when a participant may take withdrawal
- Exempt from early 10% federal penalty tax
- Personal emergency expense – an unforeseeable or immediate financial need relating to necessary personal or family emergency expenses
 - Participant may self-certify
- Can limit to specific accounts

Effective Date	Distributions made on or after 1/1/2024
Plan(s)	401(k), 403(b), DC (except MPP), Gov't 457(b)
Required?	No

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Emergency Expense Distributions

- Maximum withdrawal = \$1,000, or less if vested account balance after withdrawal will be less than \$1,000
 - Example – participant with \$1,500 account balance can only withdraw \$500
- Participant may repay within 3 years
- Unless repaid, no new distributions for 3 calendar years following year of withdrawal (not based on plan year)
 - Example – emergency expense withdrawal of \$1,000 in 2024
 - If not repaid by 12/31/2027, participant can make another withdrawal of up to \$1,000 in 2028
 - If repaid in 2025, participant can take another \$1,000 in 2025
 - For other years, participant can take a hardship if qualifies, but 10% penalty may apply

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Emergency Expense Distributions vs ESA

Emergency Expense Distributions	Emergency Savings Accounts
Take from existing accounts (no separate account)	Employee must contribute and maintain separate accounts
No additional employer contributions	Requires additional match contributions
Distributions can be from non-Roth accounts (can limit)	Distributions are from Roth ESAs
10% early penalty tax does not apply	10% early penalty tax does not apply
Ordinary income tax on withdrawals (including earnings) from pre-tax accounts unless a qualified Roth distributions	No taxation on distributions from ESA, including earnings (contributions already taxed)
Maximum \$1,000 withdrawal (may be less)	Maximum accumulative contribution of \$2,500, or greater if repaid, available for distribution
Limited withdrawals – once every 4 years unless repaid	Can take any amount during any calendar year, and can replenish up to \$2,500 after distribution
Repayment comes from participant within 3 years	Participant can make up ESA distributions via payroll

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Domestic Abuse Distributions

- Exempt from early 10% federal penalty tax
- Participant pays ordinary income tax on pre-tax distributions unless qualified Roth distribution
- No restrictions on when a participant may take withdrawal
- No 20% withholding, but participant can elect 10%
- Amount may not exceed lesser of:
 1. \$10,000 (indexed starting in 2025), or
 2. 50% of vested account balance
- May be paid within 3 years

Effective Date	Distributions made on or after 1/1/2024
Plan(s)	401(k), 403(b), DC (except MPP), Gov't 457(b)
Required?	No

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Domestic Abuse Defined

- Physical, psychological, sexual, emotional, economic abuse
- Includes efforts to control, isolate, humiliate, or intimidate victim or to undermine victim's ability to reason independently
 - Includes by means of abuse of victim's child or another family member living in household
- Participant may self-certify
- Employer may rely on certification

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Automatic Rollover Amount Increased to \$7,000

- Employers may automatically cash out account balances of \$5,000 or less with the participant’s consent
 - \$1,000 or less – employer may cash out or roll to an IRA
 - \$1,000 - \$5000 – employer may roll to an IRA
- Limit increase to \$7,000 (not indexed) – effective in 2024
- Distributions of \$7,000 or less are exempt from qualified joint and survivor annuity

Effective Date	Distributions made on or after 1/1/2024
Plan(s)	401(k), 403(b), DC, DBP
Required?	No

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RMD - No Required Minimum Distributions from Roth Accounts

- Roth IRAs are not required to make RMDs during owner’s lifetime
- Secure 2.0 applies same rules to retirement plans
- Applies to RMDs for the 2024 calendar year
- Does not apply to a 2023 RMD that is delayed and taken on or before April 1, 2024 (this is a 2023 RMD)
- Not required but recommend amending plan to apply

Effective Date	Taxable years after 12/31/2023
Plan(s)	401(k), 403(b), Gov’t 457(b)
Required?	No

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RMD - Survivor Spouse Treated as Employee

- IRA rules – surviving spouse has been able to convert IRA into own IRA without a rollover
- Secure 2.0 allows this conversion to be done within retirement plans
- Treat surviving spouse as employee
- Required Minimum Distribution (RMD) rules – based on surviving spouse’s age

Effective Date	Calendar years beginning after 12/31/2023
Plan(s)	401(k), 403(b), DC, DBP, Gov't 457(b)
Required?	No

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Hardships from 403(b) Plans

- Hardship rules were changed in 2018 under the Bipartisan Budget Act of 2018
- 401(k) plans – accounts available for hardships expanded to include earnings on elective deferrals, QNECs and QMACS
- 403(b) plans were not expanded in the same way
- Secure 2.0 aligns 403(b) plan hardship rules with 401(k) plans



Effective Date	Plan years beginning after 12/31/2023
Plan(s)	403(b)
Required?	No

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Other 2024 Secure 2.0 Act Provisions

- **Defined benefit plan changes**
 - **Notice for lump sum payouts during a window period**
 - Required if plan allows participants to select a lump sum instead of an annuity during a window of time
 - DOL to issue a model notice
 - May be effective in 2025 based on when regulations provided
 - **Mortality improvement assumptions**
 - IRS must issue regulations based on Secure 2.0 requirements

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Other 2024 Secure 2.0 Act Provisions

- **EPCRS** – IRS voluntary correction program repeal of sunset provisions when automatic enrollment plans have missed deferral failures (optional for 401(k), 403(b), 457(b) plans)
- **Auto portability of IRA to retirement plan** - prohibited transaction exemption
 - Allows transfer from a participant's IRA attributable to a prior distribution from an employer-sponsored plan to a new employer's plan (optional for 401(k), 403(b), Gov't 457(b), DC, DB)
- **Reform of family attribution rule for controlled groups and affiliated service groups** (mandatory for 401(k), 403(b), DC, DB)
 - Applies when spouses each own their own business in common law state
 - Spouses/minor children may be disregarded for common ownership if certain rules met
- **Substantially-equal payments exception** – for participants who take equal payments, exempt from early federal tax penalty of 10%, including when account is rolled over to another plan or IRA as long as payments remain the same (optional for 401(k), 403(b), DC, DB)
- **IRA catch-up limit will be indexed** - \$1,000 limit will increase with cost-of-living adjustments

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Other 2024 Secure 2.0 Act Provisions

- **529 Plans**
 - Tax-advantaged accounts that can be used to pay educational expenses from kindergarten to graduate school
 - Problem if funds left in the account after all school expenses paid
 - 529 account owners are penalized on nonqualified withdrawals that are not used for education
 - Effective 1/1/2024, up to \$35,000 of leftover funds in a 529 account can be rolled over into a Roth IRA account, if the fund is at least 15 years old (qualified transfer)
 - A qualified transfer would not be includable in income
 - Talk to your accountants



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Recap of 2024 Provisions - 1

Secure 2.0 Act Provision	Mandatory	Optional
Catch-Up contributions must be Roth for certain employees ←	X	
LTPT vesting changes ←	X	
Fix of spousal and child attribution for controlled groups and affiliated service groups	X	
Updating funding mortality tables - DB	X	
Add new information to annual funding notice - DB	X	
Provide new DB notice for lump sum window (may be in 2025)	X	
Match student loan repayments		X
Emergency savings accounts		X
Top heavy rule change		X
SIMPLE IRA Plan Midyear Conversion		X
Rollover from SIMPLE IRA to 401(k) or 403(b)		X
SIMPLE plans allow discretionary contributions		X
Higher SIMPLE deferrals		X

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Recap of 2024 Key Provisions - 2

Secure 2.0 Act Provision	Mandatory	Optional
Starter 401(k) Plan		X
Retroactive contribution/benefit increases		X
Emergency expense distributions		X
Domestic abuse distributions		X
Automatic rollover and QJSA limit increase to \$7,000		X
RMD - Roth accounts in retirement plans excluded from required minimum distributions		X
RMD - Surviving spouse treated as employee		X
403(b) hardship distributions - expand available sources		X
529 Rollover to Roth IRA for beneficiary with no 10% penalty		X
Auto portability prohibited transaction exemption		X
Substantially equal payments exceptions to early distribution penalty		X
IRA catch-ups indexed for inflation		X

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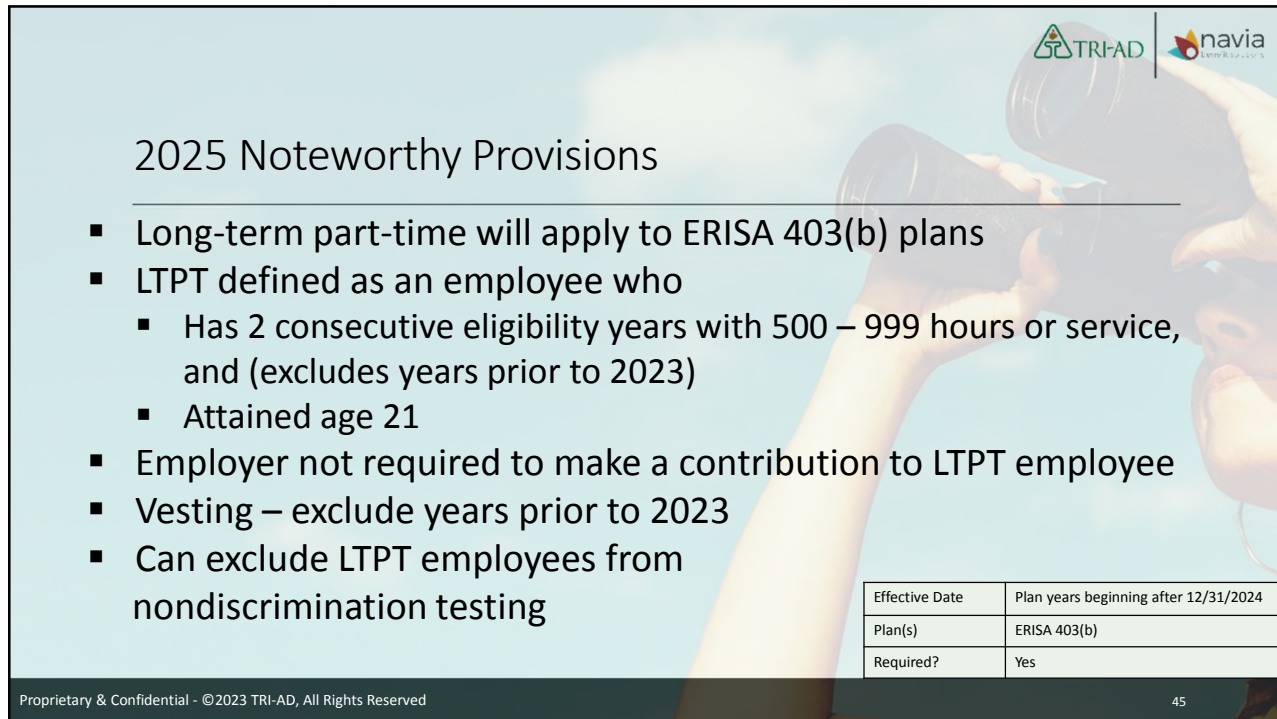
2025 Noteworthy Provisions



- Long-Term Part-Time (LTPT) – employee who has
 - 2 consecutive eligibility years with 500 – 999 hours of service (3 years in the 2024 plan year)
 - Attained age 21 (optional)

Effective Date	Tax years beginning after 12/31/2024
Plan(s)	401(k)
Required?	Yes

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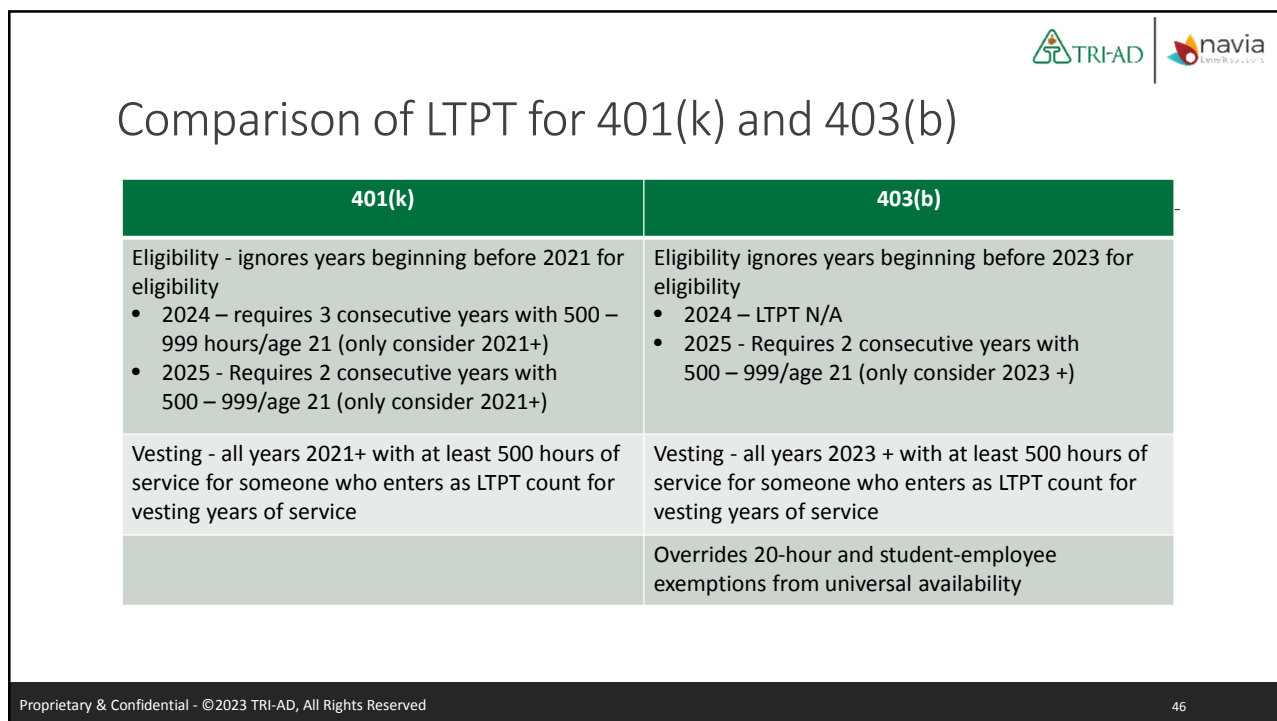
2025 Noteworthy Provisions



- Long-term part-time will apply to ERISA 403(b) plans
- LTPT defined as an employee who
 - Has 2 consecutive eligibility years with 500 – 999 hours or service, and (excludes years prior to 2023)
 - Attained age 21
- Employer not required to make a contribution to LTPT employee
- Vesting – exclude years prior to 2023
- Can exclude LTPT employees from nondiscrimination testing

Effective Date	Plan years beginning after 12/31/2024
Plan(s)	ERISA 403(b)
Required?	Yes

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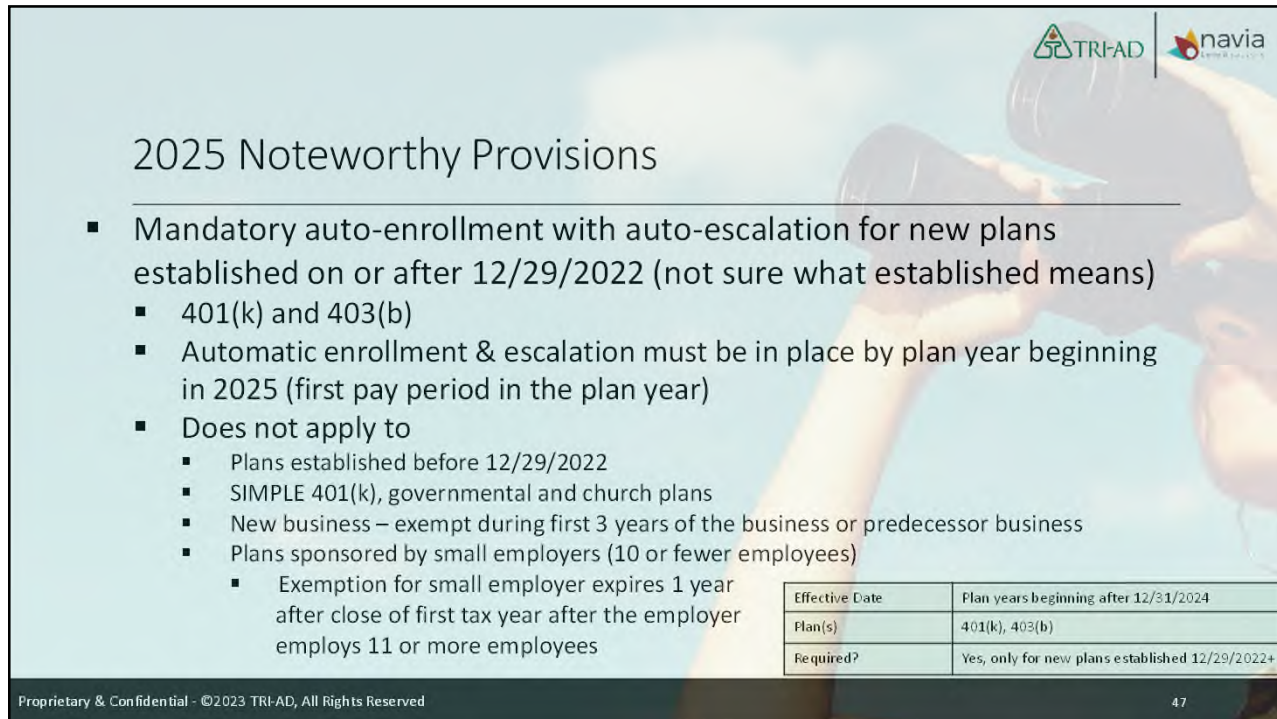





Comparison of LTPT for 401(k) and 403(b)

401(k)	403(b)
Eligibility - ignores years beginning before 2021 for eligibility <ul style="list-style-type: none"> 2024 – requires 3 consecutive years with 500 – 999 hours/age 21 (only consider 2021+) 2025 - Requires 2 consecutive years with 500 – 999/age 21 (only consider 2021+) 	Eligibility ignores years beginning before 2023 for eligibility <ul style="list-style-type: none"> 2024 – LTPT N/A 2025 - Requires 2 consecutive years with 500 – 999/age 21 (only consider 2023 +)
Vesting - all years 2021+ with at least 500 hours of service for someone who enters as LTPT count for vesting years of service	Vesting - all years 2023 + with at least 500 hours of service for someone who enters as LTPT count for vesting years of service
	Overrides 20-hour and student-employee exemptions from universal availability

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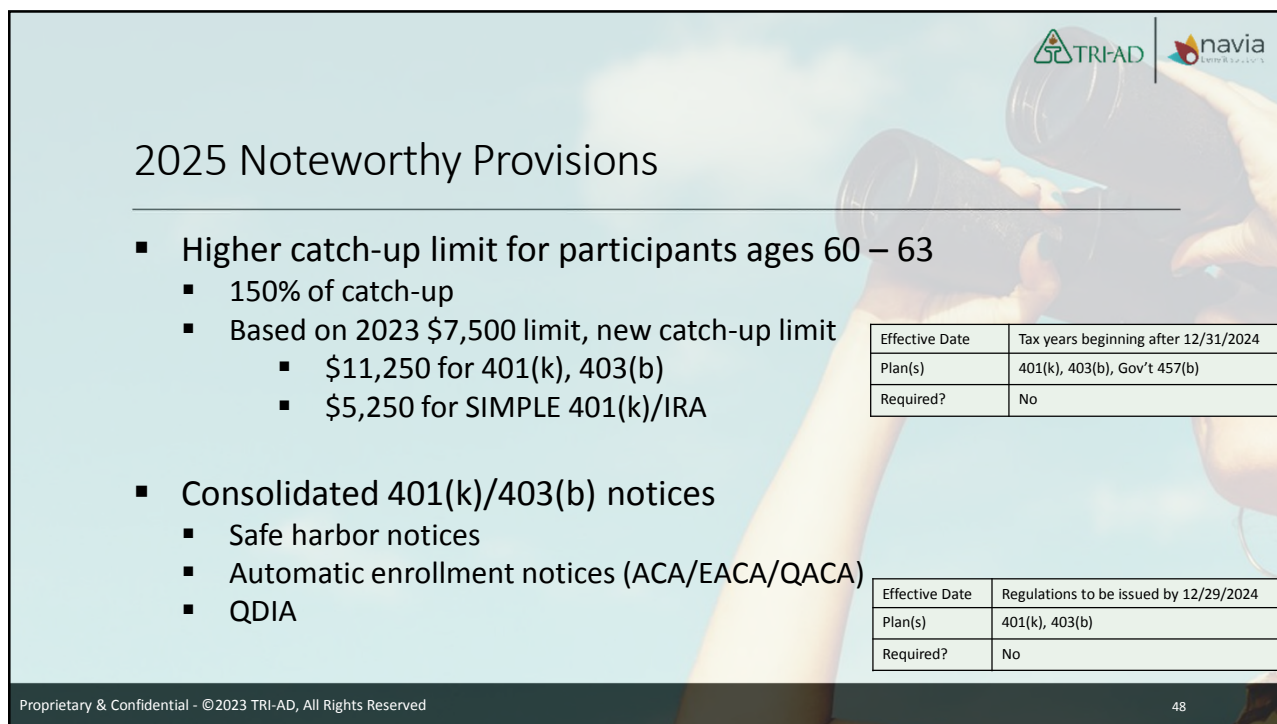
2025 Noteworthy Provisions



- **Mandatory auto-enrollment with auto-escalation for new plans established on or after 12/29/2022 (not sure what established means)**
 - 401(k) and 403(b)
 - Automatic enrollment & escalation must be in place by plan year beginning in 2025 (first pay period in the plan year)
 - Does not apply to
 - Plans established before 12/29/2022
 - SIMPLE 401(k), governmental and church plans
 - New business – exempt during first 3 years of the business or predecessor business
 - Plans sponsored by small employers (10 or fewer employees)
 - Exemption for small employer expires 1 year after close of first tax year after the employer employs 11 or more employees

Effective Date	Plan years beginning after 12/31/2024
Plan(s)	401(k), 403(b)
Required?	Yes, only for new plans established 12/29/2022+

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2025 Noteworthy Provisions

- **Higher catch-up limit for participants ages 60 – 63**
 - 150% of catch-up
 - Based on 2023 \$7,500 limit, new catch-up limit
 - \$11,250 for 401(k), 403(b)
 - \$5,250 for SIMPLE 401(k)/IRA
- **Consolidated 401(k)/403(b) notices**
 - Safe harbor notices
 - Automatic enrollment notices (ACA/EACA/QACA)
 - QDIA

Effective Date	Tax years beginning after 12/31/2024
Plan(s)	401(k), 403(b), Gov't 457(b)
Required?	No

Effective Date	Regulations to be issued by 12/29/2024
Plan(s)	401(k), 403(b)
Required?	No

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2025 Noteworthy Provisions

- **Qualified long-term care (LTC) distributions**
 - Not subject to early federal 10% tax penalty
 - Annual calendar year limit is the least of:
 - Amount employee is charged for LTC premium for employee, spouse or family member,
 - 10% of vested accrued benefit, or
 - \$2,500 (indexed)
 - Employer/service provider must receive LTC premium statement from insurer

Effective Date	Regulations to be issued by 12/29/2024
Plan(s)	401(k), 403(b), Gov't 457(b), DC, DB
Required?	No

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2025 Noteworthy Provisions

- **Retirement Savings Lost and Found**
 - Lost participants who are due a distribution
 - DOL must establish online, searchable database
 - Purpose – to facilitate the location of any plan administrator of a plan in which an individual is a participant or beneficiary
 - Employers will need to file an annual report to DOL for plan years beginning after 12/31/2023 for building of database
 - Report will require certain participant data

Effective Date	Effective by 12/29/2024
Plan(s)	401(k), ERISA 403(b), DC, DB
Required?	Yes

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2026 Noteworthy Provision

- **Benefit statements**
 - Defined contribution plans - 1 paper statement/year to participants
 - Defined benefit plans – 1 paper statement every 3 years
- Employers can deliver electronically under old DOL rules
 - Employees have computers on desk
 - Employees can opt in for electronic delivery

Effective Date	Plan years beginning after 12/31/2025
Plan(s)	401(k), ERISA 403(b), DC, DB
Required?	Yes

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2027 Noteworthy Provisions

- **Saver’s match**
 - Replaces Saver’s Credit where money goes to participant
 - Government funded match for lower income taxpayers
 - Government will match employee savings
 - Contributions up to \$2,000 (net of distributions over 3 years)
 - Phases out if income too high
 - Match can go into retirement plan or IRA
 - If less than \$100, can offset participant’s taxes
 - 100% vested
 - Not included in compliance tests
 - Subject to distribution restrictions for deferrals

Effective Date	Tax years beginning after 12/31/2026
Plan(s)	401(k), 403(b), Gov’t 457(b)
Required?	No

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Recap of 2025 Key Provisions

	Mandatory	Optional
Long-term part-time (LTPT) changes	X	
Mandatory automatic enrollment/escalation – new plans established 12/29/2022 +	X	
Plan document deadline (last day of the plan year beginning in 2025 2027 for governmental & union plans)	X	
Retirement savings lost and found	X	
Charitable remainder special needs trust is eligible designation beneficiary	X	
Larger age-50 catch-ups at 60, 61, 62, 63		X
Consolidated 401(k), 403(b), DC Notices		X
Long-term care insurance distributions		X
Blended-index benchmarks for comparative chart in required notices		X

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Recap of 2026 – 2028 Key Provisions

	Mandatory	Optional
One paper benefit statement/year – 2026	X	
Saver's match - 2027		X
Tax exemption for post-retirement first responder disability payments - 2027		X
Deferral of gain for stock sale to S Corp ESOP - 2028		X
Expand definition of publicly traded securities – 2028		X

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Plan Amendments

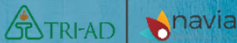
- Secure 1.0, Secure 2.0, and CARES amendments are now due the same time
- Last day of the first plan year beginning on or after January 1, 2025
 - Calendar year plans – amendment must be signed by December 31, 2025
- Governmental and union plans extended 2 more years
- Plan sponsors and providers must track voluntary provisions for 3 years (5 years for Secure 1.0 & CARES)

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Key Take-Aways for 2024 + Provisions

- Service providers will implement provisions that are mandatory when required
- Most conservative is to wait until IRS/DOL guidance is provided to implement optional provisions
 - Many unanswered questions which lead to incorrect administration if implemented without guidance
 - Software programs must be updated to accommodate changes

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More Info:

- TRI-AD Clients – Contact your Client Services Manager with questions
- NAVIA CLIENTS – Contact sales@naviabenefits.com for more information on Retirement Plan Services

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Thank you for attending our presentation 

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