



SECURE 2.0

Implementation Timeline



NOW

- New exclusions to the 10% early withdrawal penalty:
 - Qualified Disaster
 - Qualified Birth or Adoption
 - Terminally Ill
- Employee may self-certify hardships
- Employers may permit ROTH match
- Removal of some notices to unenrolled participants
- 403b PEPs and MEPs allowed
- Small business start-up tax credit increased to 100% if <50 employees
- Small business tax credit max of \$1,000 per employee for first year and gradually reduces over 5 years. Full credit available for employers with <50 employees
- Simple and SEP ROTHs allowed

2024

- Auto-Portability of participant accounts to new employee's plan
- Employer matching of student loan payments
- If earning > \$145k, catch up contributions must be ROTH
- No RMD for Roth 401ks and 403bs
- Auto Cash-Out increases to \$7k
- Emergency-linked Savings Account can be mandated by employer. Cap of \$2,500. Only for NHCEs.
- Retirement Savings Lost and Found
- Starter(k) Plans
- New exclusions to 10% early withdrawal penalty:
 - Emergency Distribution of \$1,000
 - Domestic Abuse
- High simple contributions for small employers

2025

- New 401k and 403b plans required to have auto-enroll of at least 3%
- New 401k and 403b plans required to have auto-escalate of 1% per year, cap at 15%
- New 401k and 403b plans must allow 90 days to un-enroll.
- Part-time employees with 500+ hours for 2 consecutive years eligible to defer
- Catch up contribution increased for savers age 60-63

2026

- Annual paper statement requirement
- New exclusions to 10% early withdrawal penalty:
 - Qualifying Long Term Care Insurance premiums

2027

- Refundable savers credit, max of \$2,000 for low-income savers. Credit deposited into retirement savings vehicle.