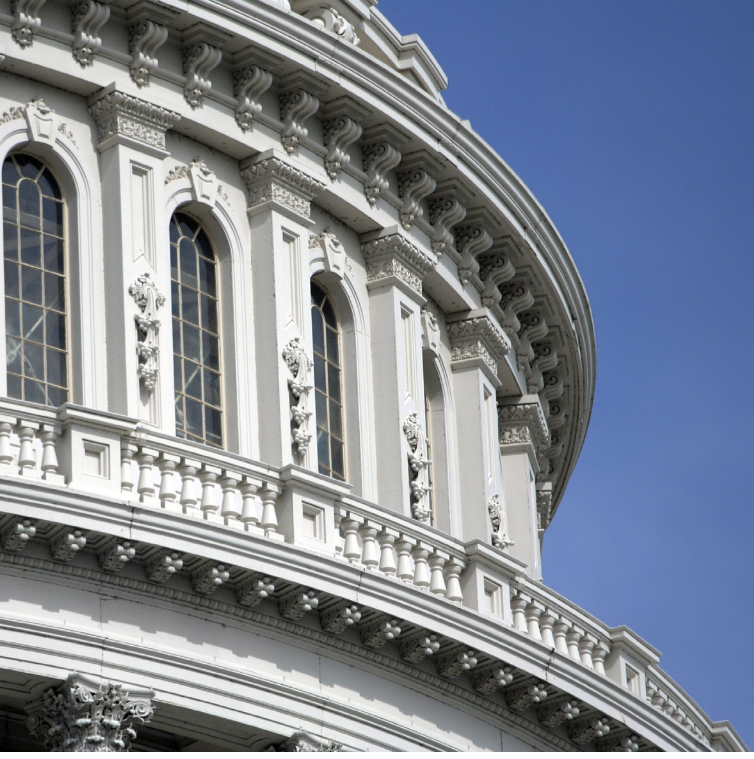

RETIREMENT REFORM

How will SECURE Act 2.0 make a difference?

Meaningful retirement legislation is on the horizon. SECURE Act 2.0 picks up where the 2019 law left off, with holistic changes in **access**, **savings opportunities** and ease of **plan administration** to help employees build lifetime financial security.

A sample of key provisions awaiting bill passage are:

Expanded access and additional investment options

Employers in related businesses will be able to join forces in **403(b) multiple employer plans (MEPs)** or, for unrelated businesses, in **403(b) pooled employer plans (PEPs)**, managed by a Pooled Plan Provider.

Eliminates the IRS "one bad apple" rule.

A regulatory change would allow **collective investment trusts (CITs)** in 403(b) plans.

Requires **auto-enrollment and auto-escalation** for new plans and increases participation incentives.

Reduces the service requirement determining when long-term, part-time workers are eligible to contribute to a plan from **3 years to 2 years**.

Increased savings and income preservation

Annual limit on catch-up contributions will increase from **$6,500 to $10,000** starting around age 60.

52%

of Americans say they aren't saving enough for retirement.

Employers will be able to make **matching contributions** based on an employee's student loan repayments, up to applicable contribution limits.

One in four student-loan holders say they've reduced the amount they save for retirement because of their student loans.

Increases age of the required minimum distributions (RMD) to **75 by 2032**.

Makes it easier to build a path towards guaranteed lifetime income:

- Annuities would be **more broadly available** after certain RMD barriers are removed.
- **Partial annuitization** may reduce total RMD payments.

69%

of workers put guaranteed income to cover living expenses at the top of their retirement plan goals.

Simpler plan administration

Provides a safe harbor for correcting "reasonable administrative errors," without penalty, in administering auto-enrollment and auto-escalation features.

Consolidates and reduces reporting and disclosure requirements, including eliminating certain required notices for unenrolled employees.

Lets participants in 403(b) plans self-certify hardships for distributions.

Creates a retirement savings lost & found, enabling employees to track down money from old accounts.

Now is the time to be sure you understand what you'll need to do to comply with required provisions; it's also the perfect time for plan sponsors and consultants to learn more about key provisions, review current plans and consider enhancements that will improve outcomes for employees.

Learn more

Sources: Bankrate.com; TIAA 2021 Nonprofit Student Loan Debt Survey; 2019 TIAA Lifetime Income Survey

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