



# IMPLEMENTATION OF SECURE 2.0 ACT PROVISIONS UPDATE

Plan Name

Client Name

Date

Not For Use With Plan Participants.



# SECURE 2.0 Act – Mandatory Changes

Provision	Description	Effective Date	Transamerica Current Status
<b>RMD Age Increase</b>	Increase of RMD RBD age to 73 for participants who had not attained age 72 in 2022	1/1/23	Completed
<b>Roth Balance Excluded from RMD</b>	Applicable to participants (RMDs to beneficiaries must still include Roth amounts). Aligns Roth 401(k) deferrals with Roth IRA rules for RMDs	1/1/24	Completed
<b>RMD Surviving Spouse election</b>	Election required for a surviving spouse to be treated as a deceased participant for RMD purposes	1/1/24 (Proposed Regulations effective 1/1/25)	All SECURE 2.0-related work complete; reviewing any additional changes resulting from the recently issued proposed RMD regulations.
<b>Long-Term Part-Time (LTPT) Eligibility Rule</b>	Consecutive eligibility computation periods reduced to two for entry dates on or after January 1, 2025, and rule expanded to apply to ERISA-covered 403(b) plans.	Eligibility computation periods beginning on or after 1/1/21 for 401(k) plans; 1/1/23 for ERISA-covered 403(b) plans	Completed
	The hours requirement for accruing a year of vesting service for LTPT participants reduced to 500 hours in a vesting computation period	Eligibility computation periods beginning on or after 1/1/21 for 401(k) plans; 1/1/23 for ERISA-covered 403(b) plans	Completed
<b>Increase in Catch-Up Contribution Limit for Participants Ages 60 to 63</b>	For participants attaining age 60 through 63 before the close of the taxable year, the catch-up limit is increased to at least \$11,250 [the greater of: a) \$10,000, or b) 150% of the catch-up contribution limit]; will be indexed for inflation.	1/1/25	Completed
<b>Required Roth Catch-Up Contributions</b>	Catch-Up contributions are required to be designated as Roth if the participant's prior year FICA wages from the plan sponsor were more than \$145,000	1/1/26	Will be available starting Jan 1, 2026

## SECURE 2.0 Act – Discretionary Changes

Provision	Description	Effective Date	Plan Design Decision	Transamerica Current Status
<b>Mandatory Small Account Cash out Threshold Increase</b>	Plans may increase threshold from \$5000 to \$7000.	1/1/24		Completed
<b>Employer Roth Contribution Election</b>	Plans may allow participants to designate fully vested match & nonelective contributions as Roth contributions when made.	12/30/22		Under review; no estimate on availability date
<b>Match Based on Student Loan Payments</b>	Plan may make matching contributions to plan based on qualified student loan payments.	1/1/24		Available
<b>Pension-Linked Emergency Savings Accounts</b>	Plans may allow Non-HCEs to contribute up to \$2,500 to a plan-linked savings account. Contributions treated as Roth. May rollover to Roth IRA upon employment termination.	1/1/24		Under review; no estimate on availability date
<b>Emergency Personal Expense Distributions</b>	Plans may allow one penalty-free withdrawal up to \$1,000 per year for self-certified personal or family emergency expenses. Can be repaid to plan within 3 years.	1/1/24		Available
<b>Qualified Disaster Recovery Distributions</b>	Plans may allow penalty-free withdrawals up to \$22,000 to participants who reside within a federally declared disaster area and sustain a related economic loss. Can be repaid to the plan within 3 years.	Disaster incident periods beginning on or after 1/26/21		Available
<b>Distributions to Victims of Domestic Abuse</b>	Plans may allow penalty-free withdrawals up to a maximum of the lesser of \$10,000 or 50% of the vested plan balance to self-certified domestic abuse victims. Can be repaid to plan within three years.	1/1/24		Available

# SECURE 2.0 Act – Discretionary Changes

Provision	Description	Effective Date	Plan Design Decision	Transamerica Current Status
Terminally Ill Individual Distributions	Plans may allow penalty-free withdrawals to terminally ill participants with a qualified physician's certification. Can be repaid to the plan within 3 years. Deferral sources may be limited.	12/30/22		Currently available for 401(k) plans.
Self-Certification of Hardship withdrawals	Plans using the safe harbor hardship reasons may rely on written participant certification of the hardship reason and the amount required (no supporting documents required to be provided at time of request).	1/1/23		<b>Available</b>
Elimination of Most Notices for Unenrolled Participant	Plans may eliminate most required IRS and DOL notices to eligible participants who have not elected to participate in the plan.	1/1/23		Completed
Enhancements to Self-Correction under EPCRS	Plans may self-correct most eligible inadvertent failures at any time, subject to certain restrictions until IRS updates the existing EPCRS guidance.	12/29/22		Available
Recovery of Overpayments	Tax qualification and fiduciary relief available to plan sponsors who decide not to seek recovery of an overpayment or amend plans to increase or decrease benefits.	12/29/22		Available
Safe Harbor Correction for Automatic Enrollment Failures	Makes permanent the current IRS-approved correction method for correcting reasonable errors in administering automatic enrollment provisions, including terminated participants.	Error correction periods ending after 12/31/23		Available

## SECURE 2.0 Act – 403(b) Changes

Provision	Description	Effective Date	Plan Design Decision	Transamerica Current Status
Long-Term Part-Time (LTPT) Eligibility Rule	SECURE 2.0 – Extends the LTPT eligibility and vesting rules to ERISA Section 403(b) plans for entry dates on or after January 1, 2025.	Eligibility computation periods beginning on or after 1/1/23	Mandatory	Completed
	SECURE – The hours requirement for measuring vesting for LTPT participants reduced to 500 hours in a vesting computation period	Date LTPT employee enters the plan	Mandatory	Completed
Expansion of Hardship Withdrawal Rules	Section 403(b) plans may permit hardship withdrawals from salary deferral earnings, QMACS, QNECs and safe harbor contribution sources, and may eliminate the requirement that participants first take all available loans.	1/1/24		Completed
CITs as Plan Investments	Custodial Section 403(b)(7) accounts may be invested in group trusts intended to satisfy the requirements of Revenue Ruling 81-100 [i.e. collective investment trusts (CITs)].	1/1/23 (pending SEC rule changes to allow CITs in 403(b) plans)		Pending issuance of rule changes/guidance
Multiple Employer 403(b) Plans	Permits Section 403(b) multiple employer plans (MEPs), including pooled employer plans (PEPs), excluding church plans; extends the unified plan relief to Section 403(b) MEPs and PEPs.	1/1/23		Available



# SECURE 2.0 Act – Other Changes

Provision	Description	Effective Date	Plan Design Decision	Transamerica Current Status
<b>Small Immediate Financial Incentives</b>	Employers may provide “de minimis” financial incentives to employees who elect to defer into the plan without violating the contingent benefit rule.	1/1/23		N/A, available at your discretion
<b>Contributions to Pooled Employer Plans (PEPs)</b>	A PEP’s trustee is no longer required to be responsible for collecting contributions and implementing written contribution collection procedures. Any named fiduciary (other than an employer in the PEP) may be given this responsibility.	1/1/23		N/A, available at your discretion
<b>Automatic Enrollment Required for Newly Established Plans</b>	Unless an exception applies, 401(k) and 403(b) plans established after December 29, 2022, must include an eligible automatic contribution arrangement feature with automatic escalation and permissible withdrawals.	1/1/25		Required provisions may be implemented now
<b>Removal of the “First Day of the Month” Rule for Governmental 457(b) Plans</b>	Governmental 457(b) plans may be amended to permit participants to defer or make changes to their deferral rates for compensation paid after the deferral agreement is entered into.	1/1/23		Available
<b>Provide Paper Benefit Statements</b>	With respect to defined contribution plans, unless a participant elects otherwise, the plan is required to provide a paper benefit statement at least once annually. The other three quarterly statements required under DOL are not subject to this rule (i.e., they can be provided electronically).			Will be available in 2026

# Q & A

this is the moment





# Thank you

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