



SECURE

2.0

ACT OF 2022

A CLOSER LOOK: ELIMINATE/CONSOLIDATE REQUIRED NOTICES

When Congress passed the SECURE 2.0 Act in 2022, it spanned nearly 400 pages and included 92 provisions. So you don't need to wade through the whole document, we're highlighting key provisions that impact most retirement plans.

SECTION 320, ELIMINATING REQUIREMENT TO SEND PLAN NOTICES TO UNENROLLED PARTICIPANTS

SECTION 341, CONSOLIDATION OF DEFINED CONTRIBUTION PLAN NOTICES



What it means: Under **Section 320**, sponsors of individual account plans (401(k) plans, for example) are no longer required to distribute disclosures, notices, and other plan documents otherwise required under ERISA and the Internal Revenue Code to "unenrolled" participants, if certain conditions are met. Unenrolled participants must have been provided with all notices and disclosures initially required following their eligibility. Participants must also receive an annual reminder of eligibility and any documents specifically requested by the unenrolled participant that the plan would otherwise be required to provide.

Section 341 directs the Treasury Department and Department of Labor to amend regulations within two years permitting a plan to consolidate certain required plan notices.



Why it happened: Distributing plan-related notices takes time, money, and effort. These provisions ease some of the administrative burden for plan sponsors for notices that unenrolled participants may have little to no interest in reading. The consolidation of notices will also significantly ease the administrative effort of sending annual notices.



The impact: Plans with a higher percentage of unenrolled participants and/or plans with lower uptake rates for electronic delivery of notices and disclosures may benefit from a simpler process.



Effective date: Plan years beginning after December 31, 2022 for eliminating notices to unenrolled participants; TBD for consolidation of notices.



Transamerica targeted support date: Planning support by October 2024.

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