Secure Act 2.0 (Required Provisions)

Provision	Detail	Required or Optional	Effective Date
Increase in catch-up contribution limits	- Individuals age 60–63 may make additional catch-up above current $7,500 - Plan contributions increase to greater of $10,000 (indexed) or 150% of catch-up limit. (Example: Current limit is $7,500; 150% equals $11,250)	Required	1/1/2025
Long-term, part-time employees eligible after 2 years	- Eligible employees will enter under the first SECURE Act's 3-year rule in 2024 and begin entering under the 2-year rule in 2025 - Years of service prior to 2021 not included for vesting calculations - No employer contributions required, can elect to exclude from testing	Required	1/1/2025
Annual paper benefit statement required	- Plans relying on 2020 e-delivery safe harbor must provide one statement per year - Participants can opt out of this requirement	Required	1/1/2026
Qualified birth or adoption (QBAD) repayments	- Limited to 3 years from date of distribution - Effective for QBADs made after date of enactment - Must be repaid before January 1, 2026	Required if plan added feature	1/1/2024
Increase in cash-out limit	- Limit increased from $5,000 to $7,000 - No indexing	Required	1/1/2024
Required minimum distributions (RMDs) beginning age	- Increases the required beginning age to 73 in 2023 for participants who turn 72 on or after January 1, 2023 - RMD age will then remain 73 until December 31, 2032 - The RMD age will then increase to 75 beginning January 1, 2033	Required	1/1/2023
In-plan Roth RMD	- Eliminates the pre-death distribution requirement for in-plan Roth accounts	Required	1/1/2024
Other RMD changes	- Reduces the penalty for missed RMDs from 50% to 25% - If the missed RMD is corrected within a "correction window," tax is reduced to 10%	Required	1/1/2023
Catch-up Contributions in the form of Roth	- All qualified plan catch-up contributions for individuals with FICA wages in excess of $145,000 (indexed) for the prior year must be made in Roth contributions - Plans must have a Roth source if they wish to allow catch-up contributions	Required	1/1/2024

Secure Act 2.0 (Optional Provisions)

Provision	Detail	Required or Optional	Effective Date
Student loan payments as elective deferrals for matching contributions	- Same match rate as “regular” matching contributions - Subject to same vesting schedule as regular match - All employees eligible must be eligible for student loan payment match - May not exceed current elective deferral limit reduced by any elective deferrals made by employee	Optional	1/1/2024
Emergency Savings Withdrawal	- In-service plan withdraw up to $1,000, not subject to early withdrawal penalty - Distribution may be repaid within three years. - One distribution is allowed per year (subject to three-year rule). - If account is not “rebuilt” —either through repayment of prior distribution or making contributions equal to distribution — no additional distributions are available for three years	Optional	1/1/2024
Plan-linked emergency savings account (PLESA)	- Allow emergency savings contributions to a plan - Participant may make contributions until the account balance reaches $2,500 - Contributions will be treated as Roth contributions - Employer may automatically enroll participants in PLESA at level not to exceed 3% - Highly compensated employees may not participate in PLESA - Contributions must be invested in principal preservation investments - Be able to take emergency savings distributions at least once per month	Optional	1/1/2024
Certain employer contributions as Roth contributions	- Plan may permit participants to elect to have matching and nonelective contributions treated as Roth contributions	Optional	1/1/2023
Domestic Abuse Penalty-Free Distribution	- Plans may permit a distribution in the amount of the lesser of $10,000 or 50% of the present value of an employee’s nonforfeitable accrued benefit - The distribution would avoid the 10% early withdrawal penalty	Optional	1/1/2024

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