

News

Kreps Joins Pensions & Investments to Cover Catch-Up Contributions and Raised RMD Age

ATTORNEYS & PROFESSIONALS

Michael Krepsmkreps@groom.com

202-861-5415

PUBLISHED

02/10/2023

SOURCE

Pensions and Investments

SERVICES

[Employers & Sponsors](#)

- [Employer & Sponsor Advocacy](#)
- [Retirement Programs](#)

Groom principal and chair of the retirement services practice [Michael Kreps](#) joined *Pension & Investments* for their article, “SECURE 2.0 to increase catch-up contributions, raise RMD age,” to provide his insights on new provisions under SECURE 2.0.

When discussing the drafting error in SECURE 2.0 that prevents participants from making catch-up contributions to 401(k), 403(b), and 475(b) plans beginning in 2024 Kreps said, “I think the idea behind catch-up contributions has always been...an attempt to recognize that when people are younger, or earlier in their careers, they may have less potential to save, and they can get into a deficit.”

Pensions & Investments continued that Kreps added, “But once people enter their 50s and 60s, he said, they often ‘free up’ income and become more focused on saving as they approach retirement. Catch-up contributions allow them to put more money in the plan.”

According to *Pensions & Investments*, “The benefits of this ‘are mitigated a bit’ by another SECURE 2.0 provision, Mr. Kreps noted, which requires that all qualified catch-up contributions are subject to Roth tax treatment starting in 2024, though there is an exception for employees making \$145,000 or less.”

In exploring how SECURE 2.0 raised the required minimum distribution raise to 73 in 2023 and 75 in 2033, *Pensions & Investments* reiterated further, “Mr. Kreps said the RMD increase will benefit ‘people that have material retirement savings can delay taking that out.’ He added that the provision is mostly meant to help individuals, as plan sponsors differ in their views on whether it’s beneficial for participants to stay in the plan after they retire.”

Kreps highlighted other provisions under SECURE 2.0 such as the saver’s match and emergency savings provisions that help participants save more and for longer and concluded by saying, “There has been a lot of work over the past maybe 15 years to get more money into the retirement system.”

To read the article, [click here](#).