

News

Levine Featured in PLANSPONSOR on SECURE 2.0 Nullifying Catch-Up Contributions

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Groom principal and employers & sponsors practice co-chair [David Levine](#) was quoted in *PLANSPONSOR* for their article “SECURE 2.0 Accidentally Dropped Catch-Ups, But Industry is On the Case.” Here, *PLANSPONSOR* talked with Levine about a presumed error in the final SECURE 2.0 bill that, if not corrected, could nullify plan catch-up contributions.

In discussion, Levine explained, as reiterated by *PLANSPONSOR*, “While the omission of a certain section of the bill creates a potential error, there is also clear intention to allow for catch-up contributions going forward in 2023 and 2024.”

PLANSPONSOR continued, “The attorney points to page 933 of the bill, which amends Section 414(v) of the Internal Revenue Code for elective deferrals, noting that certain employer retirement plan deferrals must be Roth contributions for those with wages above \$145,000. The intention is clear enough from the bill that Levine said he thinks the IRS can operate with the assumption that catch-up contributions are possible via the existing 414(v)(1) policy.”

“Legislation would be beneficial to clear this up, but we can make an argument that it isn’t required. Of course, it would be great to have everything buttoned up,” Levine added.

PLANSPONSOR stated, “Levine notes that there is precedent for the IRS to make a special provision when a bill appears to have been misrepresented. He refers to a case in 2006 when there was confusion as to whether a government retirement plan could make a nontaxable contribution of up to \$3,000 to a retired public safety officer’s accident or health insurance plan. As written, the law may have allowed the money to go directly to the officer or dependents, but the IRS provided special provision 402(l), confirming it should go to the insurance plan directly.”

“Congress spent a lot of resources and personal capital to get SECURE 2.0 through,” he noted.

Levine concluded, “Things don’t move as fast as you might hope, even though retirement is an area of consensus.”

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