

Publications

SECURE 2.0 Hitches a Ride Just in the St. Nick of Time

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Today, the Senate passed the [Consolidated Appropriations Act of 2023](#) (the “CAA”) to fund the government through September 30, 2023. Division T of the legislation is the *SECURE 2.0 Act of 2022* (“SECURE 2.0”), which builds upon 2019’s *Setting Every Community Up for Retirement Enhancement Act* (the “SECURE Act,” [H.R. 1994](#), [Groom summary](#)). The House is expected to the pass the CAA shortly.

SECURE 2.0 contains 90 provisions aimed at modernizing the retirement system, encouraging additional retirement savings, and easing administrative requirements. The changes will have at least some impact on most plans, so plan sponsors and service providers may need to take proactive steps in the near future. Fortunately, few of SECURE 2.0’s provisions take effect before 2024.

Congress has been working on SECURE 2.0 since before the ink was even dry on the SECURE Act. In March 2022, the House of Representatives passed the *Securing a Strong Retirement Act of 2022* ([H.R. 2954](#)), which included most of the provisions approved by the Ways and Means Committee and the Education and Labor Committee. After the Senate committees completed their work later in 2022, a bipartisan, bicameral group worked throughout the summer and fall to combine and harmonize differences between the bills.^[1] SECURE 2.0 is the result of their efforts.

SECURE 2.0 includes a number of important law changes, but the most notable provisions include the following:

- Increasing the required minimum distribution age from 72 to 75;
- Changing the amount and tax treatment of catch-up contributions;
- Permitting new plan design features, including certain student loan matching programs and in-plan emergency savings accounts;
- Addressing plan leakage by permitting “automatic portability” and creating a federal “Lost and Found” database;
- Requiring certain new 401(k) and 403(b) plans to include automatic enrollment and automatic escalation features; and

- Modifying the Saver's Credit to make it refundable and pay it as a direct contribution to the individual's retirement savings account rather than as a tax refund, among other provisions.

Below is a chart summarizing all of SECURE 2.0's provisions along with their effective dates.