

ARE YOU READY FOR THE HUGE (AND CONFUSING) NEW CHOICES COMING TO YOUR RETIREMENT PLAN FOR 2023?

The House and the Senate are currently negotiating the final version of what the industry is calling “Secure Act 2.0” – a bipartisan effort to deliver huge new retirement choices and opportunities for both your business and your employees. But at the same time, they’re creating a host of new challenges for plan sponsors, fiduciaries, payroll providers, administrators and recordkeepers.

There’s no question that the government wants employers and employees to be better prepared for retirement in the years ahead. That’s why this new legislation will create important new options for existing plans, incentives for small businesses to start plans, employer pools to help spread costs, automatic enrollment for first-time savers and much more.

Among the proposed changes for new plans are:

- Mandating 401(k) plans for companies with more than 10 employees;
- Mandating enrollment and a 3% deferral; and
- Providing a \$5,000 tax credit for companies starting new plans.

For existing plans, potential changes include:

- Raising the age for RMDs;
- Using Roth accounts for catch-up contributions;
- Considering student loan payments employee deferrals (which can be matched);
- Government matching payments for elective deferrals by certain low-income individuals; and
- Adding Emergency Savings Accounts to 401(k) plans.

None of these changes are law, yet. And effective dates for those that become enacted range from 2023 to 2032. But already, major names in the retirement industry are creating new, off-the-shelf plan designs to take advantage of them.

Our advice is to wait and see what finally is included. Then let us help you design a personalized plan that serves the specific needs of you and your people, while optimally balancing your opportunities and fiduciary responsibilities.

As the full picture of “Secure Act 2.0” comes into focus, we will publish more information about the pros and cons of each new change and opportunity.

Stay tuned!

Founded in 1996, The Kidder Company is a full-service, independent, retirement and financial consulting firm headquartered in Clive, Iowa – with regional offices in Omaha, Nebraska, Gainesville, Florida, and Mason City, Iowa.