Early Reminder – SECURE 2.0

January 1st, 2025

As we have now crossed the mid-point of 2024, I wanted to share a reminder of some of the SECURE 2.0 provisions coming up effective 1/1/25. Below are the Mandatory provisions for the 401(k) Defined Contribution plans.

- ✓ ***Auto-Enrollment*** requirement for plans starting on or after 1/1/23 (exemption for plans with fewer than 10 employees and new businesses less than 3 years old).

- ✓ ***Long-Term Part-Time Employees***. Reduces the 3 year look back to a 2 year look back.

- ✓ ***Catch-Up Limit Increase*** – Increased catch-up limit for participants turning ages 60, 61, 62, and 63 in the 2025 calendar year to either $10,000 or 50% more than the regular catch-up limit (currently $7,500 in 2024), whichever is greater. The increase amounts will be indexed for inflation after 2025.

Please reach out with any questions or any ways I can help you with implementation.

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