**SECURE 2.0 UPDATE**

SECURE 2.0 was enacted at the end of 2022, and FIS is currently determining the path forward on various provisions. We are hoping for further guidance from the IRS before we begin drafting amendments for ongoing plans.

At the moment, there is generally no requirement that a plan - any defined contribution, defined benefit, 403(b) or 457(b) plan, including tax-exempt 457(b) plans - be amended prior to the end of the 2025 plan year (2027 plan year for governmental and certain union plans) to take advantage of SECURE 2.0.

Most important – **there is no operational failure if the plan is amended by the last day of the plan year beginning on or after January 1, 2025**. The IRS can also extend that timeframe. SECURE 2.0 also provides anti-cutback relief.

Plans, however, need to operate in accordance with the law, and so whatever amendment is ultimately adopted must conform with the changes retroactively. Care should be taken to document which SECURE provisions are being used as well as the date that each discretionary SECURE provision is first put into effect.

**We will be providing a checklist of the discretionary provisions of SECURE 2.0, so that you can keep track of what your employers are selecting, so that it will be easier to produce an accurate SECURE amendment when the time comes. Please keep checking this link for the checklist.**

**Do terminating plans have to update for SECURE 2.0?**

Yes. We have an amendment available at [FIS Relius | Other Resources](https://www.relius.net/News/OtherResources.aspx?T=P) only for plans that are currently terminating. This amendment addresses the changes that are in effect for the 2023 plan year. Near the end of the year, we will update this amendment to reflect SECURE 2.0 provisions that go into effect for the 2024 plan year.

**What about ongoing plans? When will an amendment for SECURE 2.0 be ready?**

We are evaluating our strategy for the content of the SECURE 2.0 amendment for ongoing plans, with the amendment likely becoming available near the end of 2024. That is because we anticipate legislative technical corrections and IRS guidance.   Taking action now, in this environment (i.e., based only on a good faith interpretation of the statute), leaves a substantial likelihood that a subsequent (second) amendment would be required or desired.

**What about the Roth catch up requirement?**

The IRS has just issued guidance for Roth catch up provisions, Notice 2023-62. The Roth catch up requirement has been operationally delayed until 2026. In addition, we believe that adding Roth provisions to a plan is integral to the SECURE 2.0 changes, so that an amendment to do so is not required at the present time.

**What should we do for provisions that can be handled by using “other” blanks on an adoption agreement, such as writing in the $7,000 cash out limit?**

Again, there is no need for a plan amendment for such provisions for an ongoing before the 2025 plan year. The plan can operate in conformance with the law and amend the document later.

While, for example, you could fill in the $7,000 limit using an “other” blank line, the document will continue to refer to $5,000 in a number of other places and the SPD would also need to be modified. We believe the best course is to confine SECURE 2.0 changes to a SECURE 2.0 amendment, and to create an SMM or revised SPD that addresses the $7,000 limit in a more comprehensive manner.

**What about the “long-term part-time employee” provisions – is there anything we should be doing, besides keeping track of employees and their hours worked?**

We believe that plans that have safe harbor or automatic enrollment provisions need to address long-term part-time employees as part of their annual notice requirements. We are working on a supplement to the notices for those plans and we will be posting it soon. You should attach or otherwise incorporate this information in your notices for 2024.