



SECURE 2.0: A timeline of important retirement plan changes

Below is a timeline of some of the significant 401(k) plan changes included in SECURE 2.0. Provisions are listed by the year they go into effect.

MANDATORY CHANGES ARE WRITTEN IN DARK BLUE.

VOLUNTARY CHANGES ARE WRITTEN IN LIGHT BLUE.

2025

Auto-enrollment required for new retirement plans: SECURE 2.0, Section 101

Beginning in 2025, all 401(k) plans adopted on or after December 29, 2022, must begin automatically enrolling participants at 3%–10%, increasing the rate by 1% per year to at least 10%, not to exceed 15%. This doesn't apply to businesses with fewer than 11 employees, businesses less than three years old, or churches and governments. This is effective for plan years after December 31, 2024.

Long-term, part-time (LTPT) employees: SECURE 2.0, Section 125

This provision reduces the **three** consecutive 12-month measuring periods for LTPTs to **two** consecutive measuring periods. This is effective for plan years beginning after December 31, 2024.

Catch-up contributions limit increase at certain ages: SECURE 2.0, Section 109

Raises catch-up contributions to the greater of \$10,000 or 150% of regular catch-up limits for years in which the participant would attain age 60-63. The increased amounts will be indexed for inflation. This is effective for tax years after December 31, 2024.



2026 and beyond

Catch-up contributions required to be Roth:

SECURE 2.0, Section 603

Individuals 50 years or older who earned more than \$150,000 the prior year need to make catch-up contributions on a Roth basis. The \$150,000 is indexed with inflation. In order to offer catch-ups, the plan will be required to offer Roth contributions to participants. This is effective for plan years beginning after December 31, 2025.

Paper statement mandate:

SECURE 2.0, Section 338

Requires at least one benefit statement to be delivered on paper each year unless the participant opts out of the paper requirement. This is effective for plan years beginning after December 31, 2025.

Saver's Match enhancement of Saver's Credit:

SECURE 2.0, Section 103

This provision changes the current Saver's Credit—a tax credit applied to plan participants who meet a certain income threshold—to a Saver's Match. The credit would be a match of 50% of up to \$2,000 in retirement plan or IRA contributions irrespective of tax liability. This is effective for tax years beginning after December 31, 2026.

Increase required minimum distributions (RMD) age:

SECURE 2.0, Section 107

This provision again changes the RMD beginning age—this time from age 73 to 75. This change only applies to individuals who reached age 75 in 2033 or later. This is effective for tax years beginning after December 31, 2032.

More guidance is needed from the IRS for many of these provisions.

After we learn more, we'll let you know if we're able to administratively support various optional provisions. If you have questions in the meantime, please contact your Sentry representative.



Scan this QR code to visit our SECURE 2.0 webpage, which features additional resources.

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