The New Retirement Rules: Understanding SECURE Act 2.0

Key Insights for Your Retirement Planning

CHALLENGE: The SECURE Act introduces roughly 100 new retirement rules for individuals and businesses, with various effective dates. Good planning requires a comprehensive review of the new rules and a strategy for investors to succeed in a shifting tax landscape.

What's the Impact?

- The SECURE Act brings the most expansive change to retirement rules in 40 years, affecting individuals and businesses alike.
- Ultimately, the rule changes provide more ways for us to be better savers, and businesses are being urged to make it easier to do so.
- Planning is key—our collective goal is to understand the new rules and how they relate to your retirement.

KEY #1:

The Secure Act Gives You **More Time to Save for Retirement.**

- **Required minimum distributions (RMDs)** are now pushed out to age 73 or 75, depending on your age:

Birth Year	Impact of SECURE Act 2.0
<1951	No Change
1951–1959	RMD age pushed back to 73
1960+	RMD age pushed back to 75

- **Surviving spouse beneficiaries** can now adopt their deceased younger spouse's RMD schedule, meaning that "forced" retirement withdrawals can be delayed for the survivor.
- **No more age limits for contributing to an IRA.** You can keep investing past age 70½, provided you have income.
- **Enhanced catch-up contributions for 401(k) and 403(b)**
  (2024) 401(k) and 403(b) catch-ups will automatically adjust for inflation and have four age brackets:

Age	Catch-Up Contribution Allowed
Age 49 or younger	No Catch-up
Age 50–59 **AND** 64+	$7.5k in 2023
Age 60–63	> $10k or 150% of standard catch-up

KEY #2:

The SECURE Act Gives You **More Ways to Save for Retirement.**

- Companies required to **auto-enroll** you in 401(k) or 403(b) plans. (2025)
- Auto-enrollment boosts how much you can save to 15%.
- **Roth accounts** are now available for SEP and SIMPLE plans, providing an after-tax savings opportunity.
- New **emergency savings plan option**, linked to retirement account, will allow penalty- free withdrawals for qualified events. Withdrawals capped at $1k per year. (2024)
- **Lifetime income estimate** will be shown on your 401(k) and 403(b) statements detailing how your total savings will translate into monthly income.

KEY #3:

The SECURE Act Provides **New Ways to Use Your Money.**

- **Annual qualified charitable contribution** limits (currently $100k) will be linked to inflation. (2024)
- You can use up to $10k from **529 educational savings accounts to re-pay student loans** instead of withdrawing money from retirement savings.
- You'll be able to transfer up to $35k (lifetime) from 529 plan funds to a beneficiary's Roth IRA, presumably, your child's, which will jump-start their retirement savings. (2024)
- Employees can withdraw $2.5k annually from their company's retirement plan penalty free to pay for long-term care insurance (LTCi). (December 29, 2025)

KEY #4:

Your Kids Can Still Inherit Your IRA, **But** They Can Only Defer Taxes for Up to 10 Years.

- **New time limit for inherited accounts**, including Roth IRAs: beneficiaries must liquidate the account within 10 years. This eliminates the "stretch" IRA which allowed younger beneficiaries to "stretch" withdrawals over their lifetimes.
- **Exceptions** for surviving spouses, disabled or chronically ill beneficiaries, beneficiaries who are not more than 10 years older than the original owner, and minor children.

SOLUTION: You need to understand the impact these new retirement rules may have on you. You can take steps now to adjust your retirement strategies and estate plans and we can help.

Always consult a tax professional before taking action.

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