

Don't Let Your SECURE 2.0 Amendment Become a December Problem

If a SECURE 2.0 amendment recently landed in your inbox and your first reaction was, "Wait, aren't we a few years late to this party?" you're not alone.

Although Congress passed SECURE 2.0 in 2022, the IRS extended the amendment adoption deadline to December 31, 2026 for most qualified retirement, 403(b), and 457(b) plans. For governmental plans, the adoption deadline is December 31, 2029, and for collectively bargained plans, the adoption deadline is December 31, 2028. As a result, many plan sponsors are now receiving SECURE 2.0 amendments from their plan document providers in advance of the December 31, 2026 deadline.

The good news? It is only June. But don't let "I'll get to it later" become a December strategy. And whether your end-of-year family gatherings are picture-perfect or they put the "fun" in dysfunction, retirement plan amendments probably weren't on the guest list.

Before this year's amendment gets pushed aside for more immediate priorities, now is a good time to understand which SECURE 2.0 provisions are required, which are optional, and what decisions may need to be made before year-end.

Required SECURE 2.0 Amendment

The SECURE 2.0 amendment includes required provisions that sponsors have already been administering operationally, including:

- Roth catch-up contributions for certain higher-paid participants
- Long-term part-time employee eligibility changes
- Required minimum distribution (RMD) age updates
- Enhanced catch-up contribution limits for participants ages 60 through 63

Optional SECURE 2.0 Amendment Elections

The SECURE 2.0 amendment package may also include optional provisions that require sponsor elections, such as:

- Student loan matching contributions
- Roth employer contributions
- Emergency savings and withdrawal provisions
- Increased involuntary cash-out limits

Just because a provision is available does not necessarily mean it is the right fit for every plan. Sponsors should carefully review which provisions they have adopted operationally before making elections. If a Sponsor wants to elect an optional provision

prospectively, they should consider participant demographics, administrative complexity, payroll implications, and service provider capabilities before making elections.

Questions to Consider Before Signing

As you review your SECURE 2.0 amendment, consider:

- Do current plan operations align with the amendment language?
- Have eligibility procedures been reviewed for long-term part-time employees?
- Are payroll and recordkeeping systems prepared for Roth catch-up contribution requirements?
- Were any optional SECURE 2.0 provisions operationalized, and should any others be adopted?
- Are service providers properly administering or prepared to administer any elected provisions?
- Do participant communications or enrollment materials need updating?
- Has the SECURE 2.0 amendment been reviewed for accuracy before execution?

Takeaway

For many plans, the most important SECURE 2.0 decision is not simply signing the amendment – it is understanding what elections are being made and whether plan operations are prepared to support those elections. Taking time to review these items now may help prevent your SECURE 2.0 amendment package from becoming the most demanding guest at this year's holiday gathering.

If you have questions about SECURE 2.0 amendments or how these changes may affect your retirement plan, please contact your Boutwell Fay attorney.