Check out this edition of QUALIFIED — your retirement resource newsletter!

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McKinley Carter
MASTER YOUR WEALTH.

Hello!

We've filtered through the buzz in the retirement plans industry to pull to the forefront some considerations worth pausing to consider. Feel free to follow any of the links below for any topic you find intriguing!

- With the newness of several concepts and features of the SECURE Act 2.0 came a slew of unanswered questions regarding technical considerations. The IRS has begun to provide guidance on its treatment of many of these new features that relate directly to retirement plans like yours: *IRS Notice 2024-02 Delivers Start of SECURE Act 2.0 Guidance*
- As workplace demographics shift, so does benefit effectiveness change. As we see more aging Boomers remaining employed longer, what considerations around benefit design should be considered? Find out here: *The Graying of the American Workforce*
- Legislators have shared concerns for years in attempts to solve retirement saving shortfalls among Americans. One such attempt is found in proposed legislation that encourages availability of retirement benefits to younger employees than most plans currently allow. Read more to learn what talking points are being debated in working toward solutions: *Helping Young Americans Save for Retirement Act*

Thank you for your continued trust in our ability to make your retirement plan a success. We are here to address any questions, comments, or concerns that you or your plan participants may have; please don't hesitate to reach out!

Sincerely,

McKinley Carter

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IRS Notice 2024-02 Delivers Start of SECURE Act 2.0 Guidance

~ by MCWS

On December 20, 2023, IRS released Notice 2024-021 containing a slew of guidance on 12 provisions of SECURE Act 2.0, including:

1. Expanding automatic enrollment in retirement plans
2. Modifications to plan start-up credits for small employer plans
3. Military spouse retirement plan eligibility credit for small employers
4. Small immediate financial incentives for contributing to a plan
5. Contribution limits for SIMPLE plans
6. Exception to the early distribution penalty tax for terminal illness withdrawals
7. Replacing SIMPLE retirement accounts with safe harbor 401(k) plans during a year
8. Market rate cash balance plans
9. A safe harbor for correction of employee elective deferral failures
10. Provisions relating to plan amendments
11. SIMPLE and SEP Roth IRAs
12. Optional treatment of employer matching or nonelective contributions as Roth contributions

Read more on selected segments of Notice 2024-02

The Graying of the American Workforce

~ by MCWS

The Silver Tsunami is headed ashore, as "Peak 65" is expected to usher in an average of 11,000 retirement age Americans daily through the end of 2024 — the highest ever recorded. And a lot of them plan to keep working. Pew Charitable Trusts reports

that 62% of workers 65 and older are engaged in full-time employment versus 47% in 1987 — and the expansion of seniors' participation in the job market is projected to continue. The Bureau of Labor Statistics projects that more than one in five older adults will be in the labor force by 2032. For organizations, this demographic shift presents a unique opportunity to leverage the wealth of experience offered by senior professionals.

[Read more]

Helping Young Americans Save for Retirement Act

[~ by MCWS]

Senator Bill Cassidy (R-LA), the Ranking Member of the Senate Health, Education, Labor and Pensions (HELP) Committee, and Senator Tim Kaine (D-VA), a member of that committee, introduced the Helping Young Americans Save for Retirement Act.

Sponsors of 401(k) plans would have to permit employees as young as 18 to make contributions under the bill. However, their involvement would be restricted.

[Read more about these restrictions.]

Investment Adviser Public Disclosure.

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