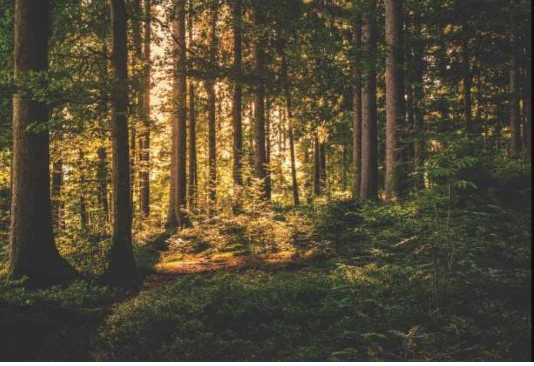

SECURE ACT

Setting Every Community Up for Retirement Enhancement

Effective: January 1, 2020

The Setting Every Community Up for Retirement Enhancement (SECURE) Act, signed into law on December 20, 2019 provides several advantageous changes to retirement plan rules designed to help individuals meet their retirement savings goals.

PROVISION	EFFECTIVE DATE
Expanded availability of Multiple Employer Plans (MEPs) and Pooled Employer Plans. (PEPs)	Plan years beginning after December 31, 2020.
Increases the tax credit for plan start-up costs from a minimum of $500 up to as much as $5,000 based on the number of nonhighly compensated employees eligible to participate in the plan. This credit is available for up to three years.	Tax years beginning after December 31, 2019.
Creates a new tax credit of up to $500 per year, available for three years, for employers who adopt a new 401(k) plan that includes auto enrollment or who amend an existing plan to include an auto enrollment feature.	Tax years beginning after December 31, 2019.
Expands the deadline to adopt a qualified retirement plan from the last day of the plan year to the due date (including extensions) of the tax return for the taxable year.	Plans adopted for Tax years beginning after December 31, 2019.
Expands the time frame for adopting a 3% nonelective safe harbor plan from 90 days to 30 days prior to the end of the Plan Year. It also provides that employers have until the close of the following plan year to adopt a 4% nonelective safe harbor plan.	Plan years beginning after December 31, 2019.
Expands coverage to part time employees by adding a dual eligibility requirement for 401(k) plans. Employees who complete either (1) one year of service (1,000 hours), or (2) three consecutive years of service with more than 500 hours of service would qualify for elective deferrals.	Plan years beginning after December 31, 2020; 12-month periods beginning before January 1, 2021 are disregarded.
Increases the escalation cap on employee deferral under auto enrollment safe harbor from 10% to 15%.	Plan years beginning after December 31, 2019.

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PROVISION	EFFECTIVE DATE
Increases the age for required minimum distributions from age 70½ to age 72.	Distributions paid after December 31, 2019 for individuals who had not attained age 70 ½ by that date.
Reduces the in-service distribution age threshold from defined benefit and 457(b) plans from age 62 to age 59 ½.	Plan years beginning after December 31, 2019.
Adds penalty-free withdrawals from retirement plans used for any "qualified birth or adoption" expenses up to $5,000.	Distributions paid after December 31, 2019.
Prohibits the distribution of participant loans through credit cards or similar arrangements.	Loans made after date of enactment.
Provides fiduciary relief under ERISA for plan sponsors in the selection of lifetime income providers.	No effective date.
Requires additional disclosure for defined contribution plan annual benefit statements to include a lifetime income disclosure.	12 months after DOL issues interim final rules, model disclosure and assumptions.
Increases penalties for the failure to file retirement plan returns from $25/day, $15,000 maximum to $250/day, $150,000 maximum. Several other filing requirement penalties were also increased.	Applies to returns due after December 31, 2019.