SECURE 2.0 ACT: WHAT'S NEXT?

Since the Setting Every Community Up for Retirement Enhancement (SECURE) 2.0 Act rolled out in January 2023, over half of its nearly 100 provisions have already taken effect, and there are still more to come. While the provisions are considered mostly beneficial for employees, several provisions benefit employers. To help you prepare for these changes, here are the provisions that will officially go into effect **January 1, 2026 and beyond**.

SECTIONS BEGINNING
JANUARY 1, 2026

334 Long-term care contracts purchased with retirement distributions.

338 Requirement to provide paper statements in certain cases.

603 Mandatory Roth only treatment for catch-up contributions.

SECTIONS BEGINNING
JANUARY 1, 2027

103 Introduction of Saver's Match, a federal matching contribution to retirement accounts for low- to moderate-income workers.

104 Promotion of Saver's Match.

SECTIONS BEGINNING
JANUARY 1, 2028

114 Deferral of tax for certain sales of employer stock to an Employee Stock Ownership Plan (ESOP).

123 Certain securities treated as publicly traded in case of ESOPs.

IMPORTANT NOTE: SECTION 603

The original effective date for Section 603 was for taxable years beginning January 1, 2024. But because of tracking complexities, many employers and plan administrators asked for more time. **Beginning January 1, 2026**, Section 603 will require higher income participants to make all catch-up contributions as Roth.

CONTRIBUTION LIMITS
FOR RETIREMENT PLANS

	2026	2025
Maximum Contributions - 401(k), 403(b), 457	$24,500	$23,500
Maximum Catch-Up (Age 50+) - 401(k), 403(b), 457	$8,000	$7,500
Super Catch-Up (Age 60-63)	$11,250	$11,250
Defined Contribution Limit	$72,000	$70,000
Compensation	$360,000	$350,000

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The chart above is a broad overview meant as a starting point for discussion. Many of these sections have subtle nuances and exceptions. For specific questions on what they may mean for you or your organization, please reach out to us. Our experts will be glad to help.