



The Setting Every Community Up for Retirement Enhancement (SECURE) Act was signed into law on December 20, 2019. SECURE contains nearly thirty provisions that will have a direct impact on retirement plans. The following summary highlights key provisions and timing.

Priority	Provision	Timing
REQUIRED	MUST include the annuitized amount of an individual's account balance on a statement at least once per year.	Does not take effect until regulations are finalized, which might not occur until 2021.
REQUIRED	Required Minimum Distribution age increases to 72 from 70 ½.	Applicable for individuals that attain age 70 ½ after 12/31/19.
REQUIRED	Part-time employees that work 500 hours or more for three consecutive years must be treated as eligible to participate in the plan (and are 21 years of age or older). However, no employer contributions required for this group.	Effective date of provision is for plan years beginning after 12/31/20 and hours prior to 1/1/21 do not count; Regulations will be needed for this provision.
OPTIONAL	Auto Enroll Safe Harbor Plans (QACA) may increase the Auto Escalation cap to 15% of pay from the current 10% cap.	Effective Immediately; however, regulations will most likely be drafted on this rule.
OPTIONAL	To encourage the availability of lifetime income options on plan menus, the law expands the fiduciary safe harbor for selection of an annuity provider that satisfies certain conditions.	Effective Immediately; however, regulations will most likely be drafted on this rule.
OPTIONAL	Withdrawals of up to \$5,000 may be provided to cover expenses associated with birth or adoption of child.	Effective for distributions after 12/31/19; however, should confirm timing with plan recordkeeper.
OPTIONAL	SECURE amends rules pertaining to multiple employer plans to enable more small businesses to adopt this type of plan. The new plans will be called Pooled Employer Plans.	The rules take effect in 2021. Regulations will be necessary.
OPTIONAL	Currently, a plan sponsor may elect to adopt a safe harbor plan design with nonelective contributions as late as 30 days prior to close of the plan year. You can now adopt within the 30 days prior to the close of the plan year through the next plan year, but an additional 1% non-elective contribution is required.	May implement for plan years beginning after 12/31/19; however, regulations will most likely be drafted on this rule.

PLEASE NOTE: SECURE includes significant increase in penalties for failure to provide 1099-R, 8955-SSA, and timely file Form 5500, effective for notices and filings after 12/31/19.

SECURE includes language designed to ensure amendments to plan documents are most likely not necessary until at least the end of the 2022 plan year; however, plans will need to follow new mandatory provisions from an operational standpoint immediately.