

SECURE ACT PROVISIONS

EFFECTIVE DATE	PROVISION	DESCRIPTION	OPTIONAL?	PLAN AMENDMENT?	PLAN TYPES IMPACTED	EMPOWER ROLLOUT TIMING
2019						
12/20/19	Safe harbor for annuity selection	Allows plan fiduciaries to rely on representation from insurers and state law oversight to satisfy due diligence regarding the insurance company's ability to make future payments	Yes	No	All ERISA-covered plans	Q1 2020
2020						
Distributions made on or after 1/1/20	Distributions for birth or adoption of a child	Each parent is eligible to withdraw up to \$5,000 within one year of birth or adoption, with no penalties or 20% withholding. The withdrawal amount can be repaid at any time.	Appears yes — looking for Treasury to confirm	Yes	IRAs; 401(a), 401(k), 403(a), 403(b), governmental 457(b)	TBD — Depending on timing of guidance from IRS & DOL
Plan years beginning on or after 1/1/20	Portability of lifetime income investments	Participants can roll assets to an IRA or plan without regard to otherwise applicable withdrawal restrictions if the lifetime income option is no longer authorized to be held in the plan (subject to insurer product availability).	Yes	Yes	IRAs; 401(a), 401(k), 403(b), governmental 457(b)	Q4 2020
Anyone who turns 70½ on or after 1/1/20 with respect to any distribution made after that date	Increase RMD to age 72	Any individual who reaches age 70½ after 12/31/19 would not be required to take an RMD until attainment of age 72. Individuals that were RMD eligible under the prior rule (i.e., reached 70½ in 2019 or earlier) must receive an RMD for 2019 and subsequent years.	No	Yes	IRAs and all plans subject to RMD rules	Q1 2020 — Updates to apply correct age in RMD process Q4 2020 — Remaining updates to all RMD touchpoints and documents
Deaths on or after 1/1/20 for non-governmental plans; deaths on or after 1/1/22 for governmental plans and collectively bargained plans	Limit use of stretch RMDs	Death distributions from an IRA or DC plan to anyone other than an “eligible designated beneficiary” (spouse, minor child, disabled, ≤10 years younger than participant) must be paid out within 10 years of the participant's death.	No	Yes	IRAs and defined contribution plans	Q4 2020 — Updates to handle beneficiary payments under new rules for deaths after 1/1/20

SECURE ACT PROVISIONS

EFFECTIVE DATE	PROVISION	DESCRIPTION	OPTIONAL?	PLAN AMENDMENT?	PLAN TYPES IMPACTED	EMPOWER ROLLOUT TIMING
Contributions made for taxable years beginning on or after 1/1/20	Allow post-70½ non-rollover contributions to IRAs	Provisions also contain new restrictions on qualified charitable contributions from IRAs	Yes	No	IRAs	Q2 2020
Plan years beginning on or after 1/1/20	Increase QACA contribution cap	Increase from 10% to 15%	Appears yes — looking for Treasury to confirm	Yes (unless plan document references code section to ID cap)	Generally 401(k)	Q2 2020
Plan years beginning on or after 1/1/20	Relief for 401(k) safe harbor plans using nonelective contributions	Eliminates notice requirement and allows amendment to become safe harbor up to 30 days before plan year-end (or 30 days after if contribution ≥4%)	Yes	Yes	Generally 401(k)	Q4 2020
Tax years beginning on or after 1/1/20	Tax credits	Increases credit for plan startup and adds credit for adopting auto-enrollment for employers with <100 employees.	Yes	No	General credit available to all non-tax exempt sponsoring entities	N/A
Plan provision adopted on or after 1/1/20	Age 59½ in-service distributions for money purchase and governmental 457(b) plans	Prior law for governmental 457(b) disallowed in-service distributions before age 70½. Prior law for 401(a) money purchase plans disallowed in-service distributions before age 62.	Appears yes — looking for Treasury to confirm	Yes	Money purchase and governmental 457(b)	Q2 2020
Returns, statements or notifications to be filed or provided on or after 1/1/20	Increased 5500 & other filing penalties	Increased 5500 penalty for late filing from \$25 per day/\$15,000 max to \$105 per day/\$50,000 max and other penalty increases	No	No	All plans required to file Form 5500	N/A
Effective once Treasury issues guidance, which is not later than six months after date of SECURE enactment	403(b)(7) plan termination	Plan sponsors can elect to have a 403(b)(7) custodian hold mutual funds in individual custodial accounts upon plan termination. The SECURE Act requires the IRS to issue guidance on this provision within 6 months.	Yes	A plan custodial account contract and/or plan document may require amendment	All 403(b) plans that offer mutual funds through 403(b)(7) custodial accounts	TBD — Not effective until guidance has been issued by the IRS.

SECURE ACT PROVISIONS

EFFECTIVE DATE	PROVISION	DESCRIPTION	OPTIONAL?	PLAN AMENDMENT?	PLAN TYPES IMPACTED	EMPOWER ROLLOUT TIMING
2021						
Plans established on or after 1/1/21	Pooled employer plans	Allows service providers to offer pooled plans treated as single ERISA plans without requiring “commonality” among participating employers. Must act as a named fiduciary and meet other requirements.	Yes	Yes	IRAs, 401(k)	Q1 2021
Plan years beginning on or after 1/1/21	Coverage of long-term part-time employees	401(k) plans required to include employees with ≥3 years of consecutive service with ≥500 hours. Can exclude from ADP/ACP testing and top-heavy testing and from receiving match or nonelective contributions.	No	Yes	401(k) except collectively bargained	Q1 2021 — Start capturing years of service data Q4 2024 — Calculate three years of consecutive service
2022						
Applies to returns for plan years beginning on or after 1/1/22	Consolidated 5500 reporting	Plans with same plan year, same trustee and named fiduciaries and administrator, and same investments can file a consolidated 5500.	Yes	No	Individual accounts or DC plans subject to ERISA (law unclear with respect to 403(b) plans) (law unclear with respect to 403(b)	Q1 2022
12 months after the DOL issues guidance; SECURE requires guidance be provided no later than 12/20/20.	Lifetime income disclosures [effective date one year after the later of when the DOL publishes permissible assumptions, a model disclosure or interim final rules, all of which it is required to publish within one year of enactment]	DC plans are required to display account balance as monthly lifetime income at retirement in form of life annuity and QJSA. As written, the rule does not permit including projections of future contributions and earnings.	No	No	DC plans subject to ERISA	Q1 2022

Please check with your Empower representative before amending your plan(s) to add any optional provision.

This table does not include non-DC plan changes in the bill or other minor changes.

Securities offered and/or distributed by GWFS Equities, Inc., Member FINRA/SIPC. GWFS is an affiliate of Empower Retirement, LLC; Great-West Funds, Inc.; and registered investment adviser, Advised Assets Group, LLC. Investing involves risk, including possible loss of principal. This material is for informational purposes only and is not intended to provide investment, legal or tax recommendations or advice.

©2020 Empower Retirement, LLC. All rights reserved. GEN-WF-378889-0820 (669707) RO1295925-0820