

SECURE Act Passes!!!

2019 ended with some major government upheaval, however, a glimmer of hope emerged in the passing of a much-needed piece of retirement legislation. In an act of bipartisanship, the House, Senate, and the President all agreed to pass the Setting Every Community Up for Retirement Enhancement (SECURE) Act.

Following are some of the highlights, many of which are effective in 2020:

- Significant tax credit increase of up to \$5,000 (from \$500) for small companies starting retirement plans
- New plans may be adopted by tax filing deadline rather than close of plan year
- Safe harbor rules simplified, including increased automatic enrollment limits and elimination of the notice requirement for safe harbor non-elective plans
- Long-term part-time employees will be eligible to participate in 401(k) plans
- Required Minimum Distribution (RMD) age increased from 70 ½ to 72
- Pooled employer plans allowed for unrelated employers

Please contact BDS for more information.

