

Question of the Week

2023 Question of the Week Summary **SECURE 2.0 and Regulatory and Questions** *Brought to you by PNC Institutional Asset Management®*

As SECURE 2.0 dominated industry discussion in 2023, PSCA asked many questions about plan sponsors' thoughts on the provisions and which ones they will or will not be implementing. We also asked plan sponsors their thoughts on a proposal to mandate plan eligibility at age 18 as well as their thoughts on the recently released Fiduciary rule. Below is a compilation of these question. If you have a question you would like us to ask in 2023, send it to research@psca.org.

SECURE 2.0 Emergency Savings Provisions, January 16, 2023

There are two optional provisions geared towards helping participants create an emergency savings account in SECURE 2.0. [Read more>](#)

Catchups as Roth, January 22, 2023

One of the revenue raising provisions of SECURE 2.0 is to require catch-up contributions to be Roth contributions for employees making \$145k per year or more (the HCE definition). Though most plans allow catchup contributions, not all plans allow Roth (especially 403(b) plans). [Read more>](#)

Student Loan Matching January 30, 2023

Starting January 1, 2024, employers will be able to make contributions to the 401(k) plan based on a participant's student loan payments. This provision is optional so this week we asked companies if it is something they are likely to adopt. [Read more>](#)

Employer Contributions as Roth, February 6, 2023

One of the optional provisions of SECURE 2.0 would allow participants to elect employer contributions as Roth after-tax contributions (rather than only employee contributions if the plan currently offers Roth). [Read more>](#)

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Distributions for Natural Disasters, February 27, 2023

We asked plan sponsors how likely they were to add the optional SECURE 2.0 provision allowing penalty-free distributions for natural disasters. Not surprisingly, the answer is largely dependent on location. [Read more>](#)

LTPT Eligibility SECURE 1&2, March 6, 2023

SECURE 1.0 passed in 2019 included a provision requiring plans to allow LTPT employees (those that work more than 500 hours in a year for three consecutive years) to participate in the plan. SECURE 2.0 reduced that three years of consecutive employment to two. [Read more>](#)

QBADS 2023, March 13, 2023

we asked plan sponsors if they have adopted the provision in SECURE 1.0 passed in 2019 that allows for a penalty-free distribution within one year of a birth or adoption of a child (QBAD provision). [Read more>](#)

Mandating Plan Eligibility at Age 18, May 15, 2023

There is a proposal in Congress to change the minimum age requirement from 21 to 18 years old. [Read more>](#)

Plan-Set RMD Age, June 5, 2023

One of those provisions is the Required Minimum Distribution (RMD) age – the legal age at which participants must begin plan distributions if they have not already done so. [Read more>](#)

Domestic Violence Emergency Distribution, July 10, 2023

We asked members if they will be adding an optional provision in SECURE 2.0 that allows for a penalty-free emergency distribution, up to \$10,000, for domestic violence victims. [Read more>](#)

Tchotchke Choice?, June 26, 2023

One of the optional provisions of SECURE 2.0 allows plan sponsors to provide small financial incentives to employees to encourage retirement plan participation. [Read more>](#)

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Ready for Roth(ups)?, July 24, 2023

One of the provisions of SECURE 2.0 that goes into effect Jan 1, 2024, is the requirement that all catchup contributions be Roth contributions for participants earning more \$145,000 or more per year. Because of the complexity in administering this, many in the industry are pushing for a delay to the implementation date [Note: which was granted]. [Read more>](#)

New Fiduciary Rule: Plan Sponsor Reactions, November 13, 2023

The DOL recently released an updated “fiduciary rule.” The initial rule a few years back garnered a lot of attention, with opponents and proponents equally invested in the impact the rule would have on plans. [Read more>](#)

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