

SECURE 2.0 – Discretionary Provision Summary

SECURE 2.0 introduced a range of optional provisions that retirement plans may choose to adopt over time. This summary outlines how these provisions are being applied in your plan today, based on current administrative capabilities, recordkeeper support across the industry, and plan design considerations. Many of these options can be revisited and incorporated in the future as industry practices evolve and your plan's needs change.

Mandatory Provision Included in this Amendment

This provision must be adopted to ensure compliance with SECURE 2.0.

Provision	What the Law Changed	Current Approach	Why This Approach Was Taken
Mandatory Roth Catch-Up Contributions	Beginning in 2026, participants with prior-year wages over \$150,000 must make catch-up contributions as Roth.	Included (required)	This provision is required for SECURE 2.0 compliance. For administrative consistency, only compensation paid by the common-law employer is considered when determining who is subject to the rule.

Discretionary Provisions Included in this Amendment

These optional provisions are included to support effective plan administration and flexibility for participants.

Provision	What the Law Changed	Current Approach	Why This Approach Was Taken
Higher Catch-Up Limits for Ages 60–63	Beginning in 2025, participants ages 60 to 63 may make enhanced catch-up contributions, equal to the greater of a specified dollar amount or 150% of the standard catch-up limit, as adjusted annually for inflation. Standard age-50+ catch-up limits resume once the participant reaches age 64.	Included	This provision allows employees nearing retirement to increase savings in their final working years. It may also help reduce corrective refunds for plans subject to nondiscrimination testing and support preservation of the plan's qualified status.
Involuntary Force-Out Limit Increase	Raises the maximum involuntary cash-out limit from \$5,000 to \$7,000.	Included – \$7,000 limit	Increasing this limit allows the plan to more efficiently manage small, inactive accounts, helping reduce administrative costs while preserving participant control over larger balances.
Long-Term Part-Time (LTPT) Employees	Beginning in 2025, employees with at least 500 hours in two consecutive years must be allowed to make elective deferrals.	Included	Eligible LTPT employees may make deferrals and take distributions under standard plan rules. For simplicity, eligibility age and entry dates align with those applicable to other participants. LTPT employees are not eligible for employer contributions (including, if applicable, matching, nonelective, top-heavy, or safe harbor contributions).
Self-Certification of Hardship	Permits participants to self-certify that they meet hardship withdrawal requirements.	Included	This change streamlines the hardship process, reduces administrative burden, and allows participants to access funds more efficiently when needed.

Discretionary Provisions Included in this Amendment (continued)

Provision	What the Law Changed	Current Approach	Why This Approach Was Taken
Top Heavy Rules for Otherwise Excludable Employees	Allows exclusion of those under age 21 or with less than one year of service from top-heavy contributions.	Included	This election provides flexibility in allocating employer contributions and helps align top-heavy obligations with workforce demographics, offering better cost control when the plan is top-heavy (generally defined as more than 60% of plan assets being allocated to key employees, such as owners or highly compensated officers).
Designated Beneficiary Distribution Timing	Eligible Designated Beneficiaries (EDBs) may extend distribution timing based on their life expectancy. Non-EDBs are able to extend distribution of inherited accounts over 10 years.	Included	Preserving the longest possible period for distributions to beneficiaries to create flexibility for the beneficiary and to allow for strategic planning of the account's withdrawals to satisfy statutory requirements.

Discretionary Provisions Not Included in this Amendment

These provisions are not currently included, primarily due to limited industry support or increased administrative complexity. Many may be added in the future as capabilities evolve or as plan needs change.

Provision	What the Law Changed	Current Approach	Why This Approach Was Taken
Auto-Portability	Allows small account balances to automatically transfer to a new employer's plan.	Not included at this time	Auto-portability solutions are still emerging and not yet broadly adopted. Current processes, including automatic rollovers, remain an effective and widely supported approach for managing small balances.
Domestic Abuse Distributions	Allows penalty-free withdrawals for participants experiencing domestic abuse, with optional repayment.	Not included at this time	This provision is intended to provide additional flexibility for participants in sensitive situations. It also requires specialized administration and is not yet widely supported across recordkeeping platforms. If this is an area of interest for your plan, similar distribution options may be available under existing hardship provisions, and we can work with you to evaluate those approaches.
Emergency Personal Expense Distributions	Allows one penalty-free emergency withdrawal per year (up to \$1,000) with optional repayment.	Not included at this time	This feature introduces additional tracking and repayment requirements that are not yet consistently supported across systems. Existing plan distribution options may address similar short-term needs, and we can help assess those alternatives if relevant.
Matching Qualified Student Loan Payments	Allows employers to make matching contributions based on qualified student loan payments.	Not included at this time	This provision requires ongoing coordination between payroll, loan servicers, and the plan, and industry adoption is still evolving. We expect broader support over time and can revisit this option as capabilities mature.

Discretionary Provisions Not Included in this Amendment (continued)

Provision	What the Law Changed	Current Approach	Why This Approach Was Taken
Military Spouse Eligibility and Vesting	Employers may offer faster eligibility and immediate vesting for spouses of active-duty military members.	Not included at this time	Military spouse status is not tracked by most recordkeepers, and adopting this provision would require additional tracking and administration that are not broadly supported across recordkeeping platforms.
Pension-Linked Emergency Savings Accounts (PLESA)	Allows plans to add emergency savings accounts for non-highly compensated employees.	Not included at this time	PLESA accounts introduce additional contribution limits, account tracking, and withdrawal rules that are not yet broadly supported across recordkeeping platforms.
Qualified Disaster Recovery Distributions and Home Purchase Repayments	Allows penalty-free disaster-related withdrawals and repayment of certain home purchase distributions.	Not included at this time	Limited system support and additional administrative requirements make this provision impractical to implement broadly at this time.
Qualified Disaster-Related Loans	Allows higher loan limits and delayed repayments for federally declared disasters.	Not included at this time	These loan features involve special rules and monitoring requirements that require specialized administration and are not yet widely supported across recordkeeping platforms.
Qualified Long-Term Care Distributions	Allows penalty-free withdrawals to pay premiums for certain long-term care insurance.	Not included at this time	This provision is not widely supported by recordkeepers and requires additional administration and is not yet broadly supported across recordkeeping platforms.
Recontribution of Terminal Illness Distributions	Allows participants to repay distributions taken due to terminal illness.	Not included at this time	This feature requires additional tracking and administration and is not broadly supported across recordkeeping platforms.
Roth Employer Contributions	Allows fully vested participants to elect employer matching and nonelective contributions as Roth.	Not included at this time	Instead of allowing Roth employer contributions directly, participants may use existing Roth conversion features. This approach provides greater flexibility, allows participants to control timing, and reduces administrative and compliance complexity.