

SECURE 2.0 is Here! What's Next for Plan Sponsors?

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PRACTICES Retirement Plans, Employee Benefits and Executive Compensation

As we previously reported [here](#), the SECURE 2.0 Act, which was enacted on December 29, 2022, contains numerous provisions that impact qualified retirement plans. Plan sponsors may be wondering, “What now?”

- **The Good News:** No plan amendments are currently required. In fact, qualified plans are not required to be amended to comply with SECURE 2.0 until the last day of the first plan year beginning on or after January 1, 2025 (or 2027 in the case of governmental plans). That means that amendments for qualified plans that operate on a calendar year plan year are not required until December 31, 2025.
- **The Not So Good News:** Many of the provisions in the SECURE 2.0 Act are currently effective, including changes to rules for qualified disaster withdrawals, and related employee self-certification requirements. This means that even though plan amendments are not required at this time, the plan is required to operate in accordance with the requirements of SECURE 2.0 Act are currently effective.

So what should plan sponsors do now? Plan sponsors should consult with the qualified plans’ third-party administrators as soon as possible to ensure that they are administering the plans in accordance with the requirements of SECURE 2.0. Furthermore, plan sponsors should consider notifying participants of the changes in plan administration and operation under SECURE 2.0. Such notification may be provided in an updated summary plan description or in a separate summary of material modifications to the current summary plan description.

Some third-party administrators may resist updating their “form” summary plan descriptions to include changes before the underlying plans are actually amended. In most cases, however, the plan sponsor, not the third-party plan administrator, is responsible for the content in the summary plan description, so plan sponsors should consider whether it is appropriate to push back on third party administrators who resist updating summary plan descriptions to reflect changes under SECURE 2.0. Additionally, regardless of whether the summary plan description is updated, plan sponsors should consider sending participants a separate communication summarizing the plan changes under SECURE 2.0.