

PALMER PENSION SERVICES, INC.

4343 Shallowford Road • Suite 320 • Marietta, GA 30062

Phone (678) 215-0909 • Fax (678) 215-0999

January 28, 2020

Congress recently passed the Further Consolidated Appropriations Act, 2020, that includes a section known as the SECURE Act (Setting Every Community up for Retirement Enhancement). The SECURE Act includes several provisions that may effect your Qualified Plan. The changes have different effective dates and some will require further regulations from the IRS. We will keep you posted as we find out more about regulatory interpretation and guidance. The following is an overview of the provisions that may effect your plan.

- Required Minimum Distribution beginning date has been changed to the April 1 of the year following attainment of age 72 (as opposed to age 70.5). This applies to those attaining age 70.5 after 12/31/19.
- 3% Non- Elective 401k Safe Harbor plans no longer need to distribute the Safe Harbor Notice. Safe Harbor Match plans will still be required to distribute the notice upon initial eligibility and 30 days before the beginning of each plan year.
- The ability to add a 3% Non- Elective Safe Harbor provision is permitted during the plan year. In the past, the provision had to be in place before the beginning of the plan year.
- Increased Tax Credits for implementing a new plan
- Substantial increases for the late filing of the Form 5500 and Form 8955-SSA
- Ability to implement a new plan for the prior plan year by the plan sponsors corporate tax deadline. (eg: Profit Sharing or Cash Balance Plans)
- Participation of Part-Time Employees in 401k deferrals. This provision will not effect your plan until 2024 and will require significant guidance from the IRS.

The amendment to your plan document to implement these changes will not be required until December 31, 2022. We will however administer your plan “in good faith” until such time that the amendment is required.

If you have any questions or wish for further information please give me, Ken Dye or Mary Noor a call.