

# SECURE ACT 2.0

## Key Points for Employers When Setting Up New Retirement Plans

### Expanding Coverage and Increasing Retirement Savings

#### Starter Plans

Employers that do not offer a retirement plan can offer a Starter 401(k). Auto-enrollment is required to start at 3 -15% with an annual limit the same as the IRA contribution limit with additional catch-up beginning at 50. Effective plan years after December 31, 2023.

#### Small Employer Plan Startup Credit

Increases credit for small employers from 50% of startup costs to 100% for employers with up to 50 employees and provides additional credit (except for defined benefit plans) for employer contributions (per-employee cap of \$1,000). There are dollar limitations and a phase-in of the credit. These credits would also be available to eligible employers if they adopt an existing plan (like a MEP or PEP)—effective taxable years after December 31, 2022.

1-50 Employees:	100% of eligible start-up costs
51-100 Employees:	50% of eligible start-up costs
100+ Employees:	0% of eligible start-up costs

The maximum credit is the LESSER of \$5k for the first three years of plan operation or \$250 for each non-HCE earning less than \$150k

#### Small Employer Matching Contribution Credit

Secure 2.0 provides tax credits for small employers to offset the cost of providing employer contributions to Participants. There are dollar limitations and credits vary based on the size of the employer. Credits available only for Employees earning below \$100k. Effective taxable years after December 31, 2022.

Year / % of Matching Contribution Credit*				
Year 1: 100%	Year 2: 100%	Year 3: 75%	Year 4: 50%	Year 5: 25%
1-50 Employees:		100% of the eligible Employer Contribution		
51-100 Employees:		Same minus 2% times the # of employees over 50		

\*The maximum credit is the LESSER of the actual employer contribution OR \$1000 for each employee making \$100k or less in FICA wages

#### SIMPLE Plans

Employer may make additional contributions to each employee in uniform manner that cannot exceed lesser of 10% of compensation or \$5,000 (indexed). Effective for taxable years after December 31, 2023. Catch-up contribution at age 50 increased by 10% for employers with no more than 25 employees. Employers with between 26-100 employees can provide higher deferral limits but only if they provide a 4% match or a 3% nonelective contribution. Effective taxable years after December 31, 2023.

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### How We Can Help

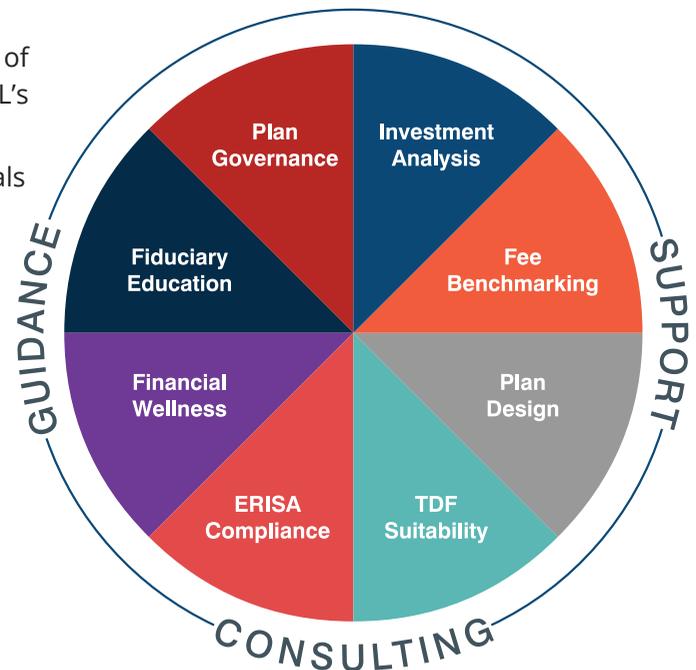
Employee benefits are a key part in attracting and retaining employees. We create distinctive retirement plans that deliver value and results to both Plan Sponsors and their Plans' Participants. Our services include:

- ④ Comprehensive retirement plan consulting and services
- ④ Committee education modules and fiduciary advice
- ④ Plan benchmarking
- ④ Advisor managed accounts
- ④ Financial wellness education

### Services for Retirement Plan Sponsors

Our service model is designed to deliver a comprehensive suite of services to support the needs of you and your employees. FNL's Retirement Plan services include:

- ④ Innovative plan designs optimized to help achieve your goals
- ④ Management of Plan Sponsor's Fiduciary Responsibilities
- ④ Robust investment analytics for your plan's core investments and target date funds
- ④ Plan governance consulting and documentation
- ④ Plan benchmarking
- ④ Committee education modules
- ④ Participant engagement and education
- ④ Vendor selection (RFI/RFP) services
- ④ Provider relationship management
- ④ Strategic guidance on relevant industry impact issues and legislation
- ④ Liability driven investment (LDI) strategies for pension plans



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\*As of 04/01/2023