



51A Middle Street, Newburyport, MA 01950

Phone: 800-588-7039

contact@bhfe.com

www.bhfe.com

Course Information

Course Title: *SECURE Act 2.0*

#292824

Recommended CPE credit hours recommended for this course

In accordance with the standards of the Certified Financial Planner Board of Standards, Inc., the Institute for Divorce Financial Analysts, the National Registry of CPE Sponsors, and the Internal Revenue Service, CPE credits have been granted based on a 50-minute hour.

CFP®: 3 (Registered with the CFP Board (course ID 319982, sponsor #1008)

CPA: 4 (Registered with NASBA, accepted in all states)

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration

Florida Division of Certified Public Accountancy: 0004761 (Ethics #0011467)

Hawaii State Board of Public Accountancy 14003

New York State Board of Accountancy (for ethics): 002146

Ohio State Board of Accountancy: CPE.51 PSR

Pennsylvania Board of Accountancy: PX178025

Texas State Board of Accountancy: 009349

EA, OTRP, ERPA 4 (All states). IRS: Qualified Sponsor number: FWKKO

Course Description

The SECURE Act 2.0 became law as part of the Consolidated Appropriations Act, 2023 enacted on December 29, 2022. It contains a wide range of provisions that become effective over several years designed to encourage retirement savings, help ensure the sufficiency of retirement funds, bring additional clarity and transparency to retirement plan rules, and increase federal revenue. In so doing, the Act addresses desirable outcomes, including:

- Creating improved retirement security;
- Ensuring retirement income preservation;
- Simplifying retirement plan rules; and
- Enhancing federal revenue.

This course will discuss the various provisions of the Act, beginning with those provisions that are immediately effective and followed by those that become effective in subsequent years. Appropriate context is added to facilitate understanding of the pre-enactment environment and the impact of the legislative changes.

Course Content

Publication/Revision Date: 8/12/2024.

Author: Paul J. Winn, CLU, ChFC

Final Exam (online): Twenty questions (multiple choice)

Program Delivery Method: Self-Study (NASBA QAS Self-Study/Interactive)

Subject Codes/Field of Study

CFP Board of Standards, Inc.: Taxes

IDFA, NASBA (CPA): Taxes

IRS (EA, OTRP): Federal Tax Law ERPA: Qualified Retirement Plan Matters

Course Level, Prerequisites, and Advance Preparation Requirements

Program Level: CFP Board, IDFA: Intermediate; NASBA/CPA, IRS: Overview.

This program is appropriate for professionals at all organizational levels.

Prerequisites: Basic familiarity with federal taxation

Advance Preparation: None

Instructions for Taking This Course

- Log in to your secure account at www.bhfe.com. Go to "My Account."
- You must complete this course within one year of purchase (If the course is "Expired," contact us and we will add the latest edition of the course to your account (no charge).
- To retain the course-PDF after completion (for future reference) and to enable enhanced navigation: From "My Account," Download and save the course-PDF to your computer. This will enable the search function (Menu: Edit>Find) and bookmarks (icon on left side of document window).
- Complete the course by following the learning objectives listed for the course, studying the text, and, if included, studying the review questions at the end of each major section (or at the end of the course).
- Once you have completed studying the course and you are confident that the learning objectives have been met, answer the final exam questions (online).

Instructions for Taking the Online Exam

- Log in to your secure account at www.bhfe.com. Go to "My Account."
- A passing grade of at least 70% is required on the exam for this course.
- You will have three attempts to pass the exam (call or email us after three unsuccessful attempts for instructions).
- The exam is not timed, and it does not need to be completed in one session.
- For a printed copy of the exam questions, open the exam and press "Print Exam."
- Once you pass the exam, the results (correct/incorrect answers) and certificate of completion appear in "My Account." A confirmation email is also sent.
- CFP Board and IRS credit hours, if applicable, are reported on Tuesdays and at the end of the month.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

Learning Objectives

After completing this course, students should be able to describe the SECURE Act 2.0's provisions including:

- Identifying the provisions designed to expand retirement plan coverage and increase retirement savings;
- Describing the provisions designed to enable plan participants to preserve their retirement income;
- Listing the provisions that simplify retirement plan rules; and
- Identifying those provisions designed to enhance federal revenue.

Copyright 2006 - 2024 by Winn Publications

ALL RIGHTS RESERVED. THIS BOOK OR ANY PART THEREOF MAY NOT BE REPRODUCED IN ANY FORM OR BY ANY MEANS WITHOUT THE WRITTEN PERMISSION OF THE PUBLISHER.

All course materials relating to this course are copyrighted by Paul J. Winn CLU ChFC. Purchase of a course includes a license for one person to use the course materials. Absent specific written permission from the copyright holder, it is not permissible to distribute files containing course materials or printed versions of course materials to individuals who have not purchased the courses. It is also not permissible to make the course materials available to others over a computer network, Intranet, Internet, or any other storage, transmittal, or retrieval system. This document is designed to provide general information. It is not a substitute for professional advice in specific situations. This publication is not intended to be, and should not be construed as, legal or accounting advice which should be provided only by professional advisers.

Contents

Course Information	ii
Learning Objectives	iv
Contents	v
Introduction	1
Course Learning Objectives.....	1
Chapter 1 – Expanding Retirement Security - 2023	2
Introduction	2
Chapter Learning Objectives.....	2
Expanding Retirement Security Provisions Effective in 2023	2
Expanding Retirement Plan Coverage and Increasing Retirement Savings.....	2
Tax Credits for Employer Plan Startup Costs	3
Tax Credits for Small Employer Plan Startup Costs Expanded	3
Tax Credits for Small Employers – Military Spouse Employment & Accelerated Plan Eligibility... 4	
Multiple Employer Plans for Tax Sheltered Annuity 403(B) Plans	5
Required Minimum Distribution (RMDs) Pushed Back to Age 73	5
Small Financial Incentives to Encourage Plan Participation	6
SEPs for Domestic Employees.....	6
Elimination of Defined Benefit Limit for Rural Electric Cooperative Employees	7
Increased Investment Choices for Tax Sheltered Annuity Plans.....	7
Summary	7
Chapter 1 Review	8
Chapter 2 – Expanding Retirement Security – 2024 & Later	9
Introduction	9
Chapter Learning Objectives.....	9
Expanding Retirement Security Provisions Effective Beginning in 2024	9
Indexing of IRA Catch-up Limits	10
Student Loan Payments Treated as Elective Deferrals for Employer Match.....	10
Qualified Student Loan Payment.....	11
Emergency Expense Withdrawals.....	11
Emergency Expense Withdrawal Limitations	12
Amount Distributed may be Repaid	12
Limitation on Subsequent Distributions.....	12
Additional SIMPLE Nonelective Contributions	13

Certain SIMPLE Contribution Limits Increased	13
Starter 401(k) & 403(b) Plans Authorized.....	13
Eligible Employers/Eligible Employees.....	14
Automatic Deferral.....	14
Participating Employees Considered Active Participants for Traditional IRA Deductions.....	14
Transfer of Limited §529 funds to Roth IRAs.....	15
Expanding Retirement Security Provisions Effective Beginning in 2025	16
Automatic 401(k)/403(b) Enrollment	16
Enrollment Requirements	17
Annual Notice Requirements	17
Exceptions to Automatic Enrollment	18
Higher Catch-up Limits for Plan Participants Aged 60 through 63.....	18
Improving Coverage for Part-Time Workers.....	18
Expanding Retirement Security Provisions Effective Beginning in 2026 & Later	19
Qualified ABLE Program Change.....	19
Saver's Tax Credit Replaced by Saver's Match	19
S Corporation Stock Sold to an ESOP.....	20
Required Minimum Distribution (RMDs) Pushed Back to Age 75	20
Summary	20
Chapter 2 Review	22
Chapter 3 – Preserving Retirement Income.....	23
Introduction	23
Chapter Learning Objectives.....	23
Preserving Participant Income.....	23
Removing RMD Restrictions on Life Annuities.....	23
Qualifying Longevity Annuity Contract Changes	24
Act Provides Annuity Periodic Payment Flexibility.....	24
Penalty on Partial Annuitization.....	24
Preserving Participant Income – Provision Effective After 2023	25
Summary	25
Chapter 3 Review	26
Chapter 4 – Simplifying Retirement Plan Rules - 2023.....	27
Introduction	27
Chapter Learning Objectives.....	27
Retirement Plan Rules Clarified and/or Simplified	27
Discretion in Recovering Retirement Plan Overpayments	28
Recovering Overpayments from Participants and Beneficiaries.....	28
Reducing Tax Penalties for RMD Insufficiencies.....	29
Expanding the Employee Plans Compliance Resolution System	30

Eliminating “First Day Of The Month” 457(b) Plan Requirement	30
IRA Qualified Charitable Distribution Changes	31
Charitable Split-Interest Entities	31
IRA Charitable Distribution Rules	32
Eliminating Premature Distribution Tax Penalty at Age 50 for Private Sector Firefighters.....	32
Repaying Qualified Birth or Adoption Distributions	32
Simplifying Hardship Distributions	33
Clarifying IRA Tax Penalty Statute of Limitations.....	33
Authorizing Retroactive Individual 401(k) Elective Deferrals for Sole Proprietors	34
Limiting Penalties for IRA Prohibited Transactions	34
Exempting Tax Penalties for Premature Distributions by Terminally Ill	35
Repealing the Direct Payment Requirement for Health and Long Term Care Insurance Premiums.....	36
Attestation may be Required	37
Modifying the Premature Distribution Tax Penalty for Public Safety Officers	37
Modification of Premature Distribution Tax Penalty to Other Eligible Government Employees	37
Providing Permanent Rules for Qualified Federally-Declared Disasters	38
Qualified Plan Loan Rules Modified for Disasters	38
New Plan Loans Modified for Federally-Declared Disasters	38
Existing Plan Loans Modified for Federally-Declared Disasters	39
Eliminating Additional Tax Penalties on IRA Excess Contribution Corrective Distributions.....	39
Modifying RMD Rules Applicable to Special Needs Trusts	40
Recognizing Tribal Government Domestic Relations Orders.....	40
Summary	40
Chapter 4 Review	41
Chapter 5 - Simplifying Retirement Plan Rules – 2024 & Later	43
Introduction	43
Chapter Learning Objectives	43
Clarification/Simplification of Retirement Rules – 2024 & Later	43
Defined Contribution Top-Heavy Rules	44
Family Attribution Rules	45
Benefit Accrual Increase Amendment Timing	45
401(k) Replacement of SIMPLE IRAs.....	45
Safe Harbor Plans	47
Combined Limit on Contributions	47
Former Plan Participant Involuntary Distribution Limit.....	48
Domestic Abuse Distributions	48
Tax Treatment and Repayment of Domestic Abuse Distribution	49
Clarifying the Substantially Equal Periodic Payments Rule	49
Lifetime Distribution Requirements for Designated Roth Accounts	50

Surviving Spouse Distribution Options	51
403(b) Hardship Distribution Rules.....	51
Retirement Plan Distributions to Purchase Long Term Care Insurance	52
Certified Long-Term Care Insurance.....	52
Limited Withdrawal Permitted.....	52
Long Term Care Premium Statement.....	53
Tax Treatment of First Responder Disability Payments.....	53
Qualified First Responder Retirement Payments.....	54
Annualized Excludable Disability Amount.....	54
Summary	54
Chapter 5 Review	56
Chapter 6 – Revenue Provisions	57
Introduction	57
Chapter Learning Objectives.....	57
Enhancing Federal Revenue.....	57
Roth Contributions to SEPs & SIMPLEs.....	58
Simplified Employee Pensions (SEPs).....	58
Savings Incentive Match Plan for Employees (SIMPLEs).....	58
Roth Contributions	58
Roth Distributions.....	59
Roth Catch-up Contributions	59
Employer Matching or Nonelective Roth Contributions	60
Charitable Conservation Easements.....	60
Charitable Deduction Limitation for Pass-Through Entities.....	61
Exceptions to Pass-through Limitations	61
Retiree Health Benefits in Pension Plans.....	62
Summary	62
Chapter 6 Review	63
Answers to Review Questions	64
Chapter 1	64
Chapter 2	65
Chapter 3	66
Chapter 4	67
Chapter 5	68
Chapter 6	70
Glossary.....	72
Index	77