# Secure Act 2.0

## *A Few New Rules All First Responders Should Know*

As we close the book on 2023, and begin a new year there are a few things that all first responders should know as it relates to their short- and long-term financial decisions.

In 2020 the government passed the Secure Act which had many sweeping changes for people with investment and retirement accounts. In the beginning of 2023, some of the rules were tweaked and a few more snuck in. The changes, for the most part, were designed to help tax payers and savers.

Here are a few highlights:

1. Required minimum distributions will now start later. For many years RMD needed to be taken at age 70 1/2. The first secure act pushed that to 72. Secure Act 2.0 made it age 73 effective immediately. By 2033 the age will be 75.
2. Catch up contributions for retirement accounts for people between the ages of 60-63 have gone from $7500 to $10,000 in 2024.
3. The government will now allow a one-time penalty free withdrawal of $1000 for emergency expenses. Unless the money is paid back you will have to wait three (3) years before making another withdrawal.
4. Student loan repayments can be matched in retirement accounts. Starting in 2024 Employers making matching contributions to a retirement plan, a 401K for example, can make that payment toward a qualified student loan payment.
5. Auto enrollment in company retirement plans will be mandatory in 2025 for all new 401K and 403B plans except for companies with 10 or fewer employees.
6. Rollovers from 529 plans to Roth accounts are now allowed. For many years parents and grandparents were always wondering what to do with 529 College Savings accounts if the child does not use all the money. While there was always a way to make use of the money now there is a new option many may find appealing. Beneficiaries of a 529 plan can now rollover up to $35,000 over their lifetime to a Roth IRA. This is providing the Roth account is 15 years old, the beneficiary has earned income and deposits are limited to $7500 per year. This is a great way to get a young investor on the path to a successful retirement.

These are some of the highlights of the Secure Act 2.0. There is more information

available but remember just because the changes are designed to help the general investing community, not everything will work for everyone and some things may not benefit you as well as you hoped they might. Please consult your accountant or financial advisor before acting. Make sure you make well informed before using any of these shiny new toys.

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