



## The SECURE Act Makes Significant Changes to Benefit Plans

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The SECURE Act\* (the "Act") makes significant changes to employer-sponsored retirement plans, and many of the changes take effect immediately. Highlights of the provisions of the Act relating to retirement plans that are effective in 2020 include:

- raising the required minimum distribution age;
- changing the post-death distribution rules;
- increasing the 10% cap for automatic enrollment for 401(k) safe harbor plans;
- permitting portability of lifetime income options;
- permitting penalty-free withdrawals from defined contribution plans and IRAs in the case of birth or adoption of a child; and
- increasing penalties for failure to file retirement plan returns (Forms 5500).

The Act also repeals the following tax provisions from the Affordable Care Act:

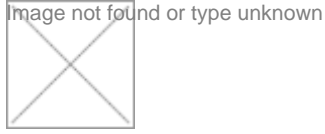
- the Cadillac tax;
- health insurer tax; and
- medical device tax.

As noted above, many changes made by the Act are effective for plan years beginning after December 31, 2019. Retirement plan administrators will need to review their employee communications and retirement plans to determine if any action is required on their part.

The Act provides an extended amendment deadline, so that any required amendments to tax favored retirement plans must be adopted by the last day of the first plan year beginning on or after January 1, 2022, or such later date as the Secretary of the Treasury may prescribe. For governmental plans, the

deadline for amendments is extended two additional years, until the last day of the first plan year beginning on or after January 1, 2024.

Click [here](#) for a detailed analysis of the Act based upon the type of Plan, e.g., defined contribution, defined benefit, IRA, health and welfare plan.



Click [here](#) for a chart showing the effective date of all provisions of the Act, whether the changes are mandatory or discretionary, and whether the change requires a plan amendment.



*\*Setting Every Community Up for Retirement Enhancement Act, signed into law on December 20, 2019.*

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