

Table 1: Select List of Past (2023) SECURE 2.0 Act Provisions

Issue	Explanation
Required Minimum Distribution Age Raised	The original SECURE Act of 2020 raised the age from 70½ to 72. SECURE 2.0 Act raises the minimum distribution age from 72 to 73 for terminated employees and 5% owners. Age goes up to 75 in 2033 for such individuals.
Penalty for Required Minimum Distributions Reduced	Penalty for under-distribution reduced from 50% to 25%, and then possibly down to 10% if the required minimum distribution is corrected within two years.
Roth Employer Match	Empowers employers to permit employees to select Roth matching vested non-elective contributions as opposed to merely permitting pretax non-elective vested contributions.
Gift-Card Plan Incentivization	Employers may now reward employees for contributing to a plan by awarding de minimis financial incentives such as gift cards, so long as the gift cards or other payments are not paid for with plan assets.
Overpayments May Remain in the Plan	Good-faith mistaken overpayments may remain in the plan.
Penalty-Free Withdrawal for Terminal Illness	The SECURE 2.0 Act eliminates the early withdrawal penalty for those with a terminal illness.
Part-time Employee Changes	Part-time employees 21 or older, working 500 hours or more per year now eligible for plan participation after 2 years instead of 3 years.
Hardship Withdrawal Self-Certification	For hardship withdrawals, employers may now rely on employee self-certification.