



More than half of retirement plan sponsors are considering switching consultants within the next year to help them navigate the SECURE 2.0 Act's changes. (UBS)

SECURE 2.0 Act: Guidance for employers

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The SECURE 2.0 Act of 2022 brought with it profound changes to employee retirement plans. While most employers agree the changes are positive and benefit employees, many are concerned that keeping up with the changes will require additional resources and are seeking guidance. While financial advisors are your best resource, we share a few things organizations can do to prepare for those conversations.

The SECURE 2.0 Act of 2022 introduces major changes to the retirement savings system to make it easier for Americans to save more money for retirement. The provisions offer a number of benefits for both individuals and employers who are looking to help their employees save for retirement.

The benefits include an increase in the age when retirees have to start taking required minimum distributions (RMDs) from age 72 to 73, the ability to transfer up to \$35,000 from a 529 account to a Roth IRA account for the 529's beneficiary, and assistance for paying down student debt while saving for retirement by allowing employers to make retirement plan matching contributions on employee qualified student loan payments. You can read more about them [here](#) and [here](#).

Most retirement plan sponsors (82%), especially those that manage larger plans, believe the changes will positively impact their employees' ability to save for retirement, according to the latest UBS Workplace Voice report [SECURE 2.0 today: How plan sponsors are navigating a new world of provisions and mandates](#).

Roughly 80-85% of them view the following provisions as benefits: Increased catch-up contribution limit for active participants turning ages 60-63, automatic enrollment requirement for new plans, long-term, part-time employee eligibility, withdrawals for emergency expenses, in-plan emergency savings accounts, and employer match for qualified student loan repayments.

Still, there is a lot of information to digest about these changes, some of which haven't yet begun to roll out and will require further explanation. With this uncertainty looming, employers are concerned about how SECURE 2.0 will affect their businesses. Will they need more resources to manage retirement plans moving forward (80%)? How will they adapt current retirement plans (77%)? Will the changes affect company profits (75%) or their ability to grow their business (73%)?

More specifically, employers are looking for guidance on things like tax credits that are being made available to small businesses to cover administrative costs, the timeline for when each provision will go into effect, and the distinction between mandatory and optional provisions. More than half are even considering switching retirement plan consultants within the next year to help them navigate these changes.

What's next for plan sponsors

While speaking with your financial and/or tax Advisor is the best course of action, these next steps can help you prepare for those conversations.

1. Do a deep dive. SECURE 2.0 has 90+ provisions. Some are optional while others are mandatory. There are also tax credits available to cover administrative costs. Review available SECURE 2.0 documentation before connecting with your financial advisor, who can help you better understand the changes and implications for your business.

2. Connect with your employees. Start the conversation by sharing the UBS Chief Investment Office's article [Revisiting the SECURE 2.0 Act](#) with your employees. The article, based on the CIO [2024 retirement guide](#), highlights the SECURE 2.0 Act provisions that are important to individuals with assets held in employer-sponsored retirement plans and IRAs in 2024.

3. Offer a retirement plan, if you don't already. UBS Workplace Voice research has shown, time and again, that saving for retirement tops employees' list of workplace benefits. If you don't already provide a retirement plan, now is the time to take advantage of the tax credits offered by SECURE 2.0.

4. Learn about your state retirement plan mandate. State retirement mandates are popping up across the country. If you don't currently have a retirement plan, your business may soon be required to offer an employee retirement savings option, if it does not already. To learn more about the options in your state, visit ubs.com/retirementlandscape. Typically, your business has two ways to comply with these types of laws

- Enroll your employees into a state-sponsored retirement program
- Sponsor a plan of your own through the private market

These are just some of the insights you'll find in this new edition of UBS Workplace Voice, a research publication series revealing employee attitudes and behaviors regarding the workplace. Access the [full report](#) and for any questions, or to learn more about UBS Workplace Wealth Solutions, contact us at UBSWorkplaceSolutions@ubs.com or find us online at www.ubs.com/workplacesolutions.

For information on Retirement Plan Services, please visit our [website](#) and read the article [SECURE 2.0 Act](#).

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