

SECURE 2.0, signed into law on December 29, 2022, contains 90 provisions that will impact nearly every aspect of retirement plan administration. The below chart, adapted from Groom Law Group’s [Comparison of the SECURE 2.0 Act of 2022 and Present Law](#), summarizes 38 SECURE 2.0 provisions that impact governmental defined contribution plans.

Bill Section	Title	Current Law	New Law	Effective Date	Mandatory or Optional
Sec. 103.	Saver’s Match	The existing Saver’s Credit employs a tiered percentage system ranging from 10-50% based on Adjusted Gross Income (“AGI”) to determine the amount of the credit.	Modifies the existing Saver’s Credit to make it refundable and turns it into a direct government matching contribution to the taxpayer’s IRA or eligible retirement plan.	Effective for tax years beginning after December 31, 2026.	N/A
Sec. 106.	Multiple employer 403(b) plans	The SECURE Act provided for the creation of PEPs, which allowed unrelated employers to join the same plan while still being considered one plan for purposes ERISA. PEPs are not subject to the same Department of Labor (“DOL”) commonality requirements as closed MEPs. 403(b) plans were not included in these provisions in 2019.	Permits certain 403(b) plans to be operated as MEPs (including as PEPs) and clarifies the annual reporting requirements. It also directs Treasury to issued regulations providing relief from the “one bad apple” rule for 403(b)s and to issue model plan language.	Effective for plan years beginning after December 31, 2022.	Optional
Sec. 107.	Increase in age for required beginning date for mandatory distributions	As established by the 2019 SECURE Act, required minimum distributions (“RMDs”) generally must begin by age 72. Prior to January 1, 2020, the age at which RMDs were required to begin was 70½.	Increases the RMD age to: (i) 73 for a person who attains age 72 after December 31, 2022 and age 73 before January 1, 2033, and (ii) 75 for an individual who attains age 74 after December 31, 2032.	Effective for distributions made after December 31, 2022, for individuals who attain age 72 after that date.	Mandatory
Sec. 109.	Higher catch-up limit to apply at age 60, 61, 62 and 63	Currently, individuals age 50 and over are allowed to make catch-up contributions to 401(k), 403(b), governmental 457(b), and SIMPLE plans, and the annual catch-up contribution limits are generally indexed for inflation. In 2022, the maximum catch-up contribution for non-SIMPLE plans is \$6,500, and \$3,000 for SIMPLEs.	Non-SIMPLE plans: Increases the limit on catch-up contributions for individuals age 60-63 to the greater of (i) \$10,000 or (ii) 150% of the regular catch-up amount for 2024, indexed for inflation	Effective for taxable years beginning after December 31, 2024.	Mandatory (if offered)

Bill Section	Title	Current Law	New Law	Effective Date	Mandatory or Optional
Sec. 110.	Treatment of student loan payments as elective deferrals for purposes of matching contributions	Currently, a matching contribution cannot be made based on student loan repayments. The IRS has ruled (through a private letter ruling, and more general guidance is pending) that a plan design that provides for a nonelective employer contribution can be based on student loan repayments without violating the contingent benefit rule.	Employer contributions made on behalf of employees for “qualified student loan payments” are treated as matching contributions, so long as certain requirements are satisfied. Applies to 401(k), 403(b), SIMPLE IRAs, and governmental 457(b) plans. Notably, a plan may treat a qualified student loan payment as an elective deferral or an elective contribution (as applicable) for purposes of the matching contribution requirement under a basic safe harbor 401(k) plan or an automatic enrollment safe harbor 401(k) plan, as well as for purposes of the Section 401(m) safe harbors. Employers are permitted to apply the ADP test separately to employees who receive matching contributions on account of qualified student loan payments. Employer may rely on employee certification of payment.	Effective for plan years beginning after December 31, 2023.	Optional
Sec. 113.	Small immediate financial incentives for contributing to a plan	The current law contingent benefit rule prohibits 401(k) and 403(b) plan participants from receiving financial incentives (other than matching contributions) for contributing to a plan.	Allows participants to receive de minimis financial incentives (not paid for with plan assets) for contributing to a 401(k) or 403(b) plan, such as gift cards for small amounts, by providing an exemption from the contingent benefit rule and providing relief from the Internal Revenue Code (“Code”) and ERISA prohibited transaction rules.	Effective for plan years beginning after the date of enactment.	Optional
Sec. 115.	Withdrawals for certain emergency expenses	Current law imposes a 10% penalty on early withdrawals before normal retirement age from tax-preferred retirement accounts.	Allows one penalty-free withdrawal of up to \$1,000 per year for “unforeseeable or immediate financial needs relating to personal or family emergency expenses.” The withdrawal may be repaid within three years. Only one withdrawal per three-year repayment period is permitted if the first withdrawal has not been repaid.	Effective for distributions made after December 31, 2023.	Optional

Bill Section	Title	Current Law	New Law	Effective Date	Mandatory or Optional
Sec. 127.	Emergency savings accounts linked to individual account plans	Some employers have begun offering emergency savings accounts (“ESAs”) both inside and outside qualified plans. The “in plan” approach is complicated by a lack of clarity with respect to certain ERISA and Code issues.	Permits a plan sponsor to amend its plan to offer short-term emergency savings accounts (“ESAs”) as part of a defined contribution plan. ESAs must be funded post-tax with Roth contributions, and participants may be automatically enrolled at a rate of up to 3% of compensation. Contributions are capped at \$2500 (indexed for inflation) or a lower amount determined by the sponsor, and there cannot be minimum contribution or balance requirements. Participants must be allowed to take at least one withdrawal per month, and the first four withdrawals per year cannot be subject to fees. ESAs may be invested in cash, interest bearing deposit accounts, and principal preservation accounts, and there is a fiduciary safe harbor for automatic enrollment. The provision provides for the preemption of state anti-garnishment laws.	Effective for plan years beginning after December 31, 2023.	Optional
Sec. 128.	Enhancement of 403(b) plans	403(b) plan investments are generally limited to annuity contracts and mutual funds. The IRS guidance indicates that 403(b) plans are permitted to invest in collective investment trusts (81-100 trusts), but such investment is generally prohibited by the securities laws.	Amends the Code to explicitly allow 403(b) plans with custodial accounts to invest in collective investment trusts. However, the legislation does not address the securities law issues that prohibit such investments in most cases.	Effective for amounts invested after date of enactment.	N/A
Sec. 201.	Remove required minimum distribution barriers for life annuities	All annuity payments must be non increasing or only increase following the limited exceptions. One exception is for annuity contracts purchased from insurance companies, which permits increases that meet an actuarial test. The current annuities actuarial test does not permit certain guarantees such as certain guaranteed annual increases, return of premium death benefits, and period certain guarantees for participating annuities.	Amends the RMD rules to relax these rules and permits commercial annuities that are issued in connection with any eligible retirement plan to provide additional types of payments, such as certain lump sum payments and annual payment increases at a rate less than 5% annually.	Calendar years ending after the date of enactment	N/A

Bill Section	Title	Current Law	New Law	Effective Date	Mandatory or Optional
Sec. 202.	Qualifying longevity annuity contracts (“QLACs”)	Existing regulations limit the premiums an individual can pay for a QLAC to the lesser of \$125,000 (indexed) or 25% of the individual’s account balance. It also provides for other restrictions on non-spouse death benefits.	Eliminates the 25% limit and increases the dollar limit from \$125,000 (indexed) to \$200,000 (indexed). Clarifies that a divorce occurring after a QLAC is purchased but before payments begin will not affect the permissibility of the joint and survivor benefits under the contract. Further clarifies that employees may rescind a contract during the 90-day trial period (“short free-look period”).	Generally effective for contracts purchased on or after enactment. For joint and survivor annuity contracts and the short free look period, the provisions are effective for	Optional
Sec. 204.	Eliminating a penalty on partial annuitization	Current regulations provide that if a retirement account holds an annuity contract and other assets, the RMD is calculated by bifurcating the account into the annuity contracts (which follow defined benefit plan rules) and the other assets (which follow defined contribution plan rules). This approach can result in higher RMDs than if the account did not hold annuity contracts.	Directs the Secretary of the Treasury to update the applicable regulations as follows: to calculate the RMD for a retirement account that holds annuity contracts and other assets, the employee may elect to have the RMD calculated by applying the defined contribution rules to the entire account. In performing that calculation, the account balance will include the value of the annuity contracts, and the payments from those annuity contracts will be applied toward satisfying the RMD.	Effective upon enactment. Taxpayers can rely on their reasonable good faith interpretation of this rule until Treasury regulations are updated.	N/A
Sec. 301.	Recovery of retirement plan overpayments	Fiduciaries for plans that have mistakenly overpaid a participant must take reasonable steps to recoup such overpayment, such as collecting the overpayment from the participant or employer in order to maintain the tax-qualified status of the plan and comply with ERISA. EPCRS includes various procedures for correcting overpayments made from defined benefit and defined contribution plans. The Pension Benefit Guaranty Corporation (“PBGC”) also has overpayment recoupment policies for terminating defined benefit plans.	A 401(a), 403(a), 403(b), and governmental plan (but not including a 457(b) plan) will not fail to be a tax favored plan merely because the plan fails to recover an “inadvertent benefit overpayment” or otherwise amends the plan to permit this increased benefit. In certain cases, the overpayment is also treated as an eligible rollover distribution. There is also fiduciary relief for failure to make the plan whole. However, the plan sponsor must still satisfy minimum funding requirements and prevent/restore an impermissible forfeiture.	Effective upon enactment with certain retroactive relief for prior good faith interpretations of existing guidance.	N/A

Bill Section	Title	Current Law	New Law	Effective Date	Mandatory or Optional
Sec. 302.	Reduction in excise tax on certain accumulations in qualified retirement plans	Existing law imposes an excise tax on an individual if the amount distributed to an individual during a taxable year is less than the RMD under the plan for that year. The excise tax is equal to 50% of the shortfall (that is, 50% of the amount by which the RMD exceeds the actual distribution). (The excise tax may be abated under a reasonable cause exception or through a VCP submission.)	Reduces the excise tax for failure to take RMDs from 50% of the shortfall to 25%. Further reduces the excise tax to 10% if the individual corrects the shortfall during a two-year correction window.	Effective for taxable years beginning after the date of enactment.	N/A
Sec. 303.	Retirement savings lost and found	N/A	Directs the DOL to create an online searchable “Lost and Found” database to collect information on benefits owed to missing, lost or non-responsive participants and beneficiaries in tax-qualified retirement plans and to assist such plan participants and beneficiaries in locating those benefits.	Directs the creation of the database no later than two years after the date of enactment of SECURE 2.0.	N/A
Sec. 304.	Updating dollar limit for mandatory distributions	Under current law, employers may immediately distribute without the consent of the participant and directly rollover former employees’ retirement accounts from a workplace retirement plan into an IRA if their balances are no more than \$5,000	Increases the involuntary cash-out limit to \$7,000 from \$5,000.	Effective for distributions after December 31, 2023.	Optional
Sec. 306.	Eliminate the “first day of the month” requirement for governmental Section 457(b) plans	Currently, participants in a 457(b) plan generally may only defer compensation if an agreement providing for the deferral has been entered into before the first day of the month in which the compensation is paid or made available.	Conforms rule for governmental 457(b) plans to rule for 401(k) and 403(b) plans by allowing participants of governmental 457(b) plans to change their deferral rate at any time before the compensation is available to the individual. For tax-exempt 457(b) plans, participants may defer compensation for any calendar month only if an agreement providing for such deferral has been entered into before the beginning of such month.	Effective for taxable years beginning after the date of enactment.	N/A
Sec. 308.	Distributions to firefighters	Current law permits “qualified public safety employees” in a governmental plan to take retirement withdrawals beginning at age 50 after separation from service without incurring a 10% early withdrawal penalty.	Extends the age 50 early withdrawal exception for qualified public safety employees to also apply to private sector firefighters receiving distributions from a qualified retirement plan or 403(b) plan.	Effective for distributions made after the date of enactment.	Mandatory

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Sec. 309.	Exclusion of certain disability-related first responder retirement payments	Disability-related retirement plan payments are typically included in the recipient's taxable income.	For first responders, excludes service-connected, disability pension payments (from a 401(a), 403(a), governmental 457(b), or 403(b) plan) from gross income after reaching retirement age up to an annualized excludable disability amount.	Effective for plan years beginning after December 31, 2026.	Mandatory
Sec. 311.	Repayment of qualified birth or adoption distribution limited to three years	Following the SECURE Act, current law does not limit the period during which a qualified birth or adoption distribution may be repaid and qualify as a rollover distribution.	Requires qualified birth or adoption distributions to be recontributed within three years of the distribution in order to qualify as a rollover contribution. (This aligns the rule with similar disaster relief provisions and simplifies plan administration.)	Effective for distributions made after the date of the enactment. For prior distributions, the repayment period ends December 31, 2025.	Optional
Sec. 312.	Employer may rely on employee certifying that deemed hardship distribution conditions are met	Applicable Treasury regulations provide that hardship distributions may be made on account of an immediate and heavy financial need or an unforeseeable emergency, if limited to the amount necessary to satisfy the financial need. These needs are evaluated using facts and circumstances, but there are certain safe harbor events that are deemed to be on account of a hardship. Employees must provide a written representation that they have insufficient cash or liquid assets reasonably available to satisfy the need. (In general, the employee must submit records documenting the safe harbor event constituting a hardship, although there is a streamlined hardship documentation method outlined in the Internal Revenue Manual that uses a self-certification process if certain requirements are met.)	Allows a plan administrator to rely on an employee's self-certification that they have had a safe harbor event that constitutes a deemed hardship for purposes of taking a hardship withdrawal from a 401(k) plan or a 403(b) plan. The administrator can also rely on the employee's certification that the distribution is not in excess of the amount required to satisfy the financial need and that the employee has no alternative means reasonably available to satisfy the financial need. A similar rule applies for purposes of unforeseeable emergency distributions from governmental Section 457(b) plans.	Effective for plan years beginning after the date of enactment.	Optional

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Sec. 314.	Penalty-free withdrawal from retirement plans for individual in case of domestic abuse	N/A	Permits certain penalty-free early withdrawals in the case of domestic abuse in an amount not to exceed the lesser of \$10,000 (indexed) or 50% of the value of the employee's vested account under the plan. In addition, such eligible distributions to a domestic abuse victim (defined by the amendment to Code Sec. 72(t)(2)(K)(iii)(II)) may be recontributed to applicable eligible retirement plans, subject to certain requirements. (This is similar to the QBAD provision.) This also provides for an in-service distribution event for 401(k), 403(b), and governmental 457(b) plans.	Effective for distributions made after December 31, 2023.	Optional
Sec. 325.	Roth plan distributions	Under current law, Roth IRAs – but not Roth amounts in 401(k), etc. plans – are exempt from pre-death RMD rules.	Extends the pre-death RMD exemption to Roth amounts in plans.	Effective generally for taxable years beginning after December 31, 2023, but not with respect to distributions required before January 1, 2024.	N/A
Sec. 326.	Exception to penalty on early distributions from qualified plans for individuals with a terminal illness	Present law imposes a 10% tax penalty on early distributions from tax-preferred retirement accounts unless certain exceptions apply.	Creates an exception to the 10% early withdrawal penalty for distributions to individuals whose physician certifies that they have an illness or condition that is reasonably expected to result in death in 84 months or less.	Effective upon enactment.	Optional
Sec. 327.	Surviving spouse election to be treated as employee	Current law allows a sole designated spousal beneficiary to treat a deceased IRA owner's IRA as their own for purposes of RMD rules.	Provides similar post-death spousal RMD rules to plans: Allows a spousal beneficiary to irrevocably elect to be treated as the employee for RMD purposes and if the spouse is the employee's sole designated beneficiary, the applicable distribution period after the participant's year of death is determined under the uniform life table.	Effective for calendar years beginning after December 31, 2023.	Mandatory

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Sec. 328.	Repeal of direct payment requirement on exclusion from gross income of distributions from governmental plans for health and long-term care insurance	Current law provides an exclusion from gross income for up to \$3,000 for distributions made by governmental retirement plans to pay for health insurance premiums of certain eligible retired public safety officers, provided the premiums are paid directly by the plan.	Allows the plan to distribute funds to pay for qualified health insurance premiums (1) directly to the insurer or (2) directly to the participant (but the participant must include a self-certification that such funds did not exceed the amount paid for premiums in the year of the distribution when filing the tax return for that year).	Effective for distributions made after the date of enactment.	Optional
Sec. 329.	Modification of eligible age for exemption from early withdrawal penalty	Qualified public safety employees may receive distributions from governmental plans after separating from service after attaining age 50 without being subject to the 10% early withdrawal penalty.	Extends the age 50 exception to the 10% early withdrawal penalty to those qualified public safety employees who have separated from service and have attained age 50 or 25 years of service, whichever comes first.	Effective for distributions made after the date of enactment.	N/A
Sec. 330.	Exemption from early withdrawal penalty for certain state and local government corrections employees	Qualified public safety employees may receive distributions from governmental plans after separating from service after attaining age 50 without being subject to the 10% early withdrawal penalty.	Expands the definition of qualified public safety employee to include certain corrections officers and forensic security employees, thus making them eligible for the age 50 exception to the 10% early withdrawal penalty.	Effective for distributions made after the date of enactment.	N/A

Bill Section	Title	Current Law	New Law	Effective Date	Mandatory or Optional
Sec. 331.	Special rules for the use of retirement funds in connection with qualified federally declared disasters	In recent years, Congress has eased plan distribution and loan rules in cases of disaster on a case-by-case basis.	<p>Provides permanent special rules governing plan distributions and loans in cases of qualified federally declared disasters.</p> <ul style="list-style-type: none"> • Up to \$22,000 may be distributed to a participant per disaster; • Amount is exempt from the 10% early withdrawal fee; • Inclusion in gross income may be spread over 3-year period; • Amounts may be recontributed to a plan or account during the 3-year period beginning on the day after the date of the distribution; • Allows certain home purchase distributions to be recontributed to a plan or account if those funds were to be used to purchase a home in a disaster area and were not so used because of the disaster; and • Increases the maximum loan amount for qualified individuals and extends the repayment period. 	Effective for disasters occurring on or after January 26, 2021.	Optional
Sec. 334.	Long-term care contracts purchased with retirement plan distributions	Plans may only make distributions for approved reasons. Existing law provides favorable tax treatment for various forms of health and disability insurance. Existing law also imposes a 10% tax penalty on early distributions from tax-preferred retirement accounts unless certain exceptions apply.	Permits retirement plans to distribute a certain amount per year for certain long-term care insurance contracts. The amount permitted to be distributed is the lowest of: (1) the amount paid by or assessed to the employee during the year for long-term care insurance; (2) 10% of the employee's vested accrued benefit in the plan; or (3) \$2,500 (this dollar amount will be indexed for inflation beginning in 2025). Distributions from plans and IRAs would be exempt from the 10% penalty on early distributions if used to pay premiums for high quality, long-term care insurance.	Effective beginning with distributions three years after the date of enactment.	Optional

Bill Section	Title	Current Law	New Law	Effective Date	Mandatory or Optional
Sec. 338.	Requirement to provide paper statements in certain cases	ERISA requires plan administrators to periodically furnish participants and beneficiaries with statements describing the individual’s benefit under the plan. In defined contribution plans, benefit statements must be provided at least once each calendar quarter, if the participant has the right to direct investments, and at least once each calendar year in other cases. In defined benefit plans, benefit statements must generally be delivered at least once every three years. DOL disclosure regulations include various document delivery safe harbors. DOL updated the disclosure regulations in 2020 to add a new safe harbor to the two existing safe harbors: (i) the 2002 safe harbor generally applies to individuals who either have (a) the ability to effectively access electronic documents at work through an electronic system, the use of which is an integral part of the employee’s duties; or (b) consented to receive notices electronically; and (ii) the 2020 safe harbor allows a plan administrator to utilize electronic media to furnish retirement plan notices where the plan administrator complies with certain notice, access, and other requirements and the participant does not opt-out of electronic disclosure.	<p>Modifies the pension benefit statements requirement to generally require that:</p> <ul style="list-style-type: none"> • for a defined contribution plan, at least one statement must be provided on paper in written form for each calendar year; and • for a defined benefit plan, at least one statement must be provided on paper every three years. <p>Exceptions allowed for plans that allow employees to opt in to e-delivery if the plan follows the 2002 safe harbor.</p> <p>Also directs the Secretary to make changes by December 31, 2024 to the e-delivery rules to include certain participant protections including requiring a one-time initial paper notice, prior to the first pension benefit statement being delivered electronically, informing the participant of her right to receive all required disclosures on paper.</p>	Effective for plan years beginning after December 31, 2025.	Optional for Government Plans
Sec. 339.	Recognition of Tribal government domestic relations orders	Under present law, plan administrators cannot assign the benefit of a participant pursuant to a domestic relations order issued by a Tribal government.	Allows domestic relations orders issued by Indian tribal governments to be recognized as “qualified domestic relations orders” to provide the same exception for Tribal domestic relations orders from the prohibition on assignment or alienation of benefits as had previously applied to State issued domestic relations orders.	Effective for domestic relations orders received by plan administrators after December 31, 2022, including any such order which is submitted for reconsideration after such date.	Optional

Bill Section	Title	Current Law	New Law	Effective Date	Mandatory or Optional
Sec. 348.	Cash balance	Cash balance and other “hybrid” plans are subject to numerous technical rules that make it difficult to offer market-based designs.	Permits a cash balance plan with variable interest crediting rates to use a projected interested crediting rate that is “reasonable” but not in excess of 6%. The practical consequence of this change is that plans will be permitted to provide larger pay credits for older, longer service workers without the risk of failing the anti- backloading rules.	Effective for plan years beginning after the date of enactment.	N/A
Sec. 350.	Safe harbor for correction of employee elective deferral failures	The IRS’ Employee Plans Compliance Resolution System (EPCRS) contains rules allowing plans to correct errors, including with respect to missed deferrals under automatic enrollment or automatic escalation features. EPCRS currently contains a safe harbor for correcting automatic enrollment failures, which is set to expire on December 31, 2023.	Creates a safe harbor that a plan will not fail to be a qualified plan merely because of a corrected error. A “corrected error” is a reasonable administrative error made in implementing automatic enrollment, automatic escalation features, or by failing to offer an affirmative election due to the employee’s improper exclusion from the plan, so long as that error is corrected within 9 ½ months of the end of the plan year in which the error occurred (or date on which employee notifies the plan sponsor of the error, if earlier), is resolved favorably toward the participant and without discrimination toward similarly situated participants, and notice is provided within 45 days of the date on which correct deferrals begin. This new safe harbor does not require a corrective contribution for missed deferrals, but the plan sponsor must contribute any missed matching contributions, plus earnings. The safe harbor is available for 401(a), 403(b) and 457(b) plans and IRAs.	Effective for any errors with respect to which the date that is 9½ months after the end of the plan year during which the error occurred is after December 31, 2023.	N/A

Bill Section	Title	Current Law	New Law	Effective Date	Mandatory or Optional
Sec. 501.	Provisions relating to plan amendments	<p>Current law generally requires plan amendments to reflect legal changes to be made by the tax filing deadline for the employer’s taxable year in which the change in law occurs (including extensions).</p> <p>The Code and ERISA provide that, in general, accrued benefits cannot be reduced by a plan amendment (the “anti- cutback rule”). Individually designed plans have the Required Amendment List that provides some additional time for amendments.</p>	<p>Allows plan amendments made pursuant to this bill to be made by the end of the 2025 plan year (2027 plan year in the case of governmental plans and collectively bargained plans) as long as the plan operates in accordance with such amendments as of the effective date of a legislative or regulatory requirement or amendment. If a plan operates as such and meets the amendment timeline and requirements of this bill, then the plan will be treated as being operated in accordance with its terms, and the amendment will not violate the anti-cutback rule (unless so designated by the Secretary).</p> <p>Extends the plan amendment deadlines under the SECURE Act, CARES Act, and Taxpayer Certainty and Disaster Relief Act of 2020 to these new remedial amendment period dates, as previously reflected in IRS notices.</p>	Effective upon enactment.	N/A
Sec. 602.	Hardship withdrawal rules for 403(b) plans	Prior to the Bipartisan Budget Act of 2018 (“BBA”), the hardship rules for 401(k) plans and 403(b) plans were generally the same. The BBA created some differences, primarily allowing 401(k) plans to make hardship distributions from more contribution sources, such as qualified non-elective contributions (“QNECs”), and earnings on elective deferrals.	Conforms the hardship distribution rules for Section 403(b) plans to those of Section 401(k) plans. Therefore, a 403(b) plan may distribute QNECs, qualified matching contributions, and earnings on any of these contributions (including elective deferrals). Also confirms that distributions from a 403(b) plan are not treated as failing to be made upon hardship solely because the employee does not take available loans.	Effective for plan years beginning after December 31, 2023.	N/A
Sec. 603.	Elective deferrals generally limited to regular contribution limit	Catch-up contributions to Section 401(k), 403(b), and governmental 457(b) plans (if age 50 or older) may be made on either a pre-tax or Roth basis.	Catch up contributions to Section 401(a) qualified plans, Section 403(b) plans, and governmental Section 457(b) plans must be made to on a Roth basis, except for eligible participants whose prior year wages do not exceed \$145,000 (indexed for inflation). This requirement does not apply to SIMPLE IRAs or SEP plans.	Effective for taxable years beginning after December 31, 2023.	Mandatory (if offered)

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Sec. 604.	Optional treatment of employer matching or nonelective contributions as Roth contributions	Current law does not permit employer matching or nonelective contributions to be made on a Roth basis.	Allows a Section 401(a) qualified plan, a Section 403(b) plan, or a governmental 457(b) plan to permit employees to designate employer matching or nonelective contributions as Roth contributions. Student loan matching contributions may also be designated as Roth contributions. Matching and nonelective contributions designated as Roth contributions are not excludable from the employee's income, and must be 100% vested when made.	Effective for contributions made after enactment.	Optional