

## Section 202.

(last updated 1/19/2023)

**Title:** Qualifying longevity annuity contracts (“QLACs”)

**Effective Date:** Generally effective for contracts purchased on or after enactment.

**Mandatory or Optional:** Optional

**Plans Affected:** All

**Previous Law:** 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.

**SECURE 2.0 Law:** 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”).

**Guidance and/or Correction Bills:**

- None