

Section 348.

(last updated 1/19/2023)

Title: Cash balance

Effective Date: Effective for plan years beginning after the date of enactment.

Mandatory or Optional: N/A

Plans Affected: All

Previous Law: Cash balance and other “hybrid” plans are subject to numerous technical rules that make it difficult to offer market-based designs.

SECURE 2.0 Law: 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 antibackloading rules.

Guidance and/or Correction Bills:

- None