

Section 604.

(last updated 1/19/2023)

Title: Optional treatment of employer matching or nonelective contributions as Roth contributions

Effective Date: Effective for contributions made after enactment.

Mandatory or Optional: Optional

Plans Affected: 401(a); 403(b); 457(b)

Previous Law: Current law does not permit employer matching or nonelective contributions to be made on a Roth basis.

SECURE 2.0 Law: 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.

Guidance and/or Correction Bills:

- None