

Section 113.

(last updated 1/19/2023)

Title: Small immediate financial incentives for contributing to a plan

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

Mandatory or Optional: Optional

Plans Affected: 401(k); 403(b)

Previous Law: 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.

SECURE 2.0 Law: 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.

Guidance and/or Correction Bills:

- None