



SECURE 2.0 Provisions Relevant to 403(b) Church Plans

Please note that this chart is provided for informational purposes only and is not intended to be legal advice. This chart is based on information available just weeks after enactment. Further clarification of this new law will be forthcoming and technical and other corrections remain possible in the future.

PROVISION	SUMMARY	MANDATORY OR OPTIONAL	EFFECTIVE DATE
Required Minimum Distribution (RMD) Age Change	Section 107 increases the RMD age to 73 in 2023 and 75 in 2033.	Mandatory	2023
Excise Tax Reduction for Failing to Take Required Minimum Distribution (RMD)	Section 302 reduces the penalty for not taking your RMD from 50% to 25%. As a service to you, GuideStone® automatically distributes the RMD from your 403(b) or 401(k) account.	Mandatory	2023
De Minimis Incentives to Contribute	Section 113 allows employers to offer de minimis financial incentives to boost employee participation in their retirement plan. The incentives cannot come from plan assets.	Optional	2023
Collective Investment Trusts (CIT) for 403(b)s	Section 128 allows 403(b) plans to invest in CITs.	Optional	2023
Expansion of Employee Plans Compliance Resolution System (EPCRS)	Section 305 allows self-correction of more plan administrative errors.	Optional	2023
Qualified Birth or Adoption Distribution (QBAD) Re-contribution Period Changed to 3 years	Section 311 limits the time to pay back QBADs to 3 years.	Optional	2023 and retroactive to past distributions
Self-certification for Hardship Distributions	Section 312 allows employees to self-certify that they meet the IRS conditions for a hardship distribution.	Optional	2023
Penalty Exemption for the Terminally Ill	Section 326 provides an exemption to the 10% early withdrawal penalty in the case of a distribution to an employee with a terminal illness, as determined by a physician.	Optional	2023
Special Rules for Use of Retirement Funds in Connection with Disasters	Section 331 allows retirement withdrawals up to \$22,000 in the event of a qualified federally declared disaster. Withdrawals will not be subject to the 10% early withdrawal penalty and can be repaid into the plan within 3 years. This provision also increases the maximum loan amount available and extends the loan repayment period.	Optional	Disasters on or after January 26, 2021
Roth Treatment for Employer Contributions	Section 604 allows employees to elect to receive employer contributions (either matching and/or non-matching) as a Roth contribution in a 403(b) and 401(k). Employees must be fully vested to receive employer Roth contributions.	Optional	2023
RMDs for Roth Employer-sponsored Accounts	Section 325 eliminates RMDs on Roth-designated accounts in an employer-sponsored retirement plan (401(k) or 403(b)). Prior to SECURE 2.0, Roth dollars in an employer-sponsored plan were included in the annual RMD calculation.	Mandatory	2024

Surviving Spouse can be Treated as an Employee	Section 327 allows surviving spouses to elect to treat their 403(b) or 401(k) as their own for RMD purposes. Prior to SECURE 2.0, a surviving spouse had to roll the account into their own IRA to take advantage of this option.	Mandatory	2024
Student Loan Employer-matching	Section 110 allows employees to receive employer-matching contributions when they make qualified student loan payments.	Optional	2024
Penalty Exemption for Emergency Withdrawals up to \$1,000	Section 115 provides an exemption to the 10% early withdrawal penalty in the case of unforeseeable emergency expenses of up to \$1,000 per year. The withdrawal may be repaid within 3 years.	Optional	2024
Distributions for Victims of Domestic Abuse	Section 314 allows employees who are victims of domestic abuse to withdraw a small amount of money that will not be subject to the 10% early withdrawal penalty. Withdrawals can be up to \$10,000 (indexed) or 50% of the employee's account balance.	Optional	2024
Safe Harbor Corrections for Employee Contribution Failures	Section 350 allows employers with automatic enrollment plans to correct employee contribution mistakes. They will have a 9½ month grace period after the plan year ends to correct the mistakes.	Optional	2024
Hardship Withdrawal Rules for 403(b)s	Section 602 conforms 403(b) hardship rules with 401(k)s.	Optional	2024
Catch-up Limit Increase	Section 109 allows employees ages 60–63 to make catch-up contributions up to the greater of \$10,000 (indexed) or 50% of the regular catch-up amount in 2025.	Mandatory	2025
Roth Catch-up Contributions for High Earners	Section 603 requires catch-up contributions into an employer-sponsored retirement plan to be designated as Roth for employees with wages exceeding \$145,000 (indexed) in the prior year. If a plan does not offer Roth contributions, their catch-up provision must be eliminated.	Mandatory	2026
Long-term Care Contracts Purchased with Retirement Plan Distributions	Section 334 permits a qualified plan to distribute up to \$2,500 per year (indexed) for a participant's payment of premiums for long-term care contracts. It also exempts distributions from the 10% early withdrawal penalty tax.	Optional	2026
Saver's Match Replaces Saver's Credit	Section 103 discontinues the Saver's Credit for individuals who fall below a certain income level and introduces a federal matching contribution into an IRA or employer-sponsored retirement plan for those who are eligible.	Optional	2027