

With the passage of the SECURE Act on December 20th, 2019, employers are encouraged to offer new and more robust savings plans. There are also notable changes that will affect current tax-advantaged retirement accounts like IRAs. Some new provisions under the Act include:

- Pushing back the age at which retirement plan participants need to take their required minimum distribution (RMD) from 70.5 to 72;
- Removing the Stretch IRA provision. The new law requires a full payout from the inherited IRA for nonspouse beneficiaries within 10 years of the death of the original account holder;
- Allowing 401(k) plans to offer annuities;
- Permitting penalty-free withdrawals of \$5,000 from 401(k) accounts to aid in adoption costs;
- Allowing 529 accounts to pay for qualified student loan repayments up to \$10,000 annually; and
- Retirement plan eligibility for part-time employees working either 1,000 hours annually, or three consecutive years with 500 hours of service.