

PLAN SPONSOR GENERAL RELEASE

PLAN ADMINISTRATOR UPDATE

October 21, 2024

SECURE Act 2.0

Modified Rules for Catch-Up Contributions for Ages 60-63

Dear Plan Sponsor,

As you may know, the SECURE 2.0 Act of 2022 includes an upcoming modification of the rules for participants utilizing the age 50 catch-up in 403(b) and 457(b) plans. Starting January 1, 2025, employees aged 60 to 63 can make higher catch-up contributions.

Key Points:

- Plans can allow increased contributions for participants who are age 60, 61, 62, or 63 by yearend.
- At age 64, regular age 50 catch-up limits will go back into effect.
- The increased contribution limit is the greater of an additional \$10,000 per year or 150% of the regular age 50 catch-up amount for that year.
- These amounts will be indexed for inflation after 2025.
- Current age 50 catch-up rules will still apply to those aged 50-59 and those 64 or older at the end of the calendar year.

Our firm has updated our systems/contribution limit monitoring processes and are now prepared to accommodate any eligible participants who wish to benefit from this new catch-up opportunity. We will send a subsequent communication detailing the 2025 contribution limits, including the limit for this provision once they have been published by the Internal Revenue Service.

If you have any questions regarding this new provision, please contact our Plan Support Team at 888-777-5827 ext. 0, or email plansupport@tsacg.com.

Regards,

U.S. OMNI & TSACG Compliance Services