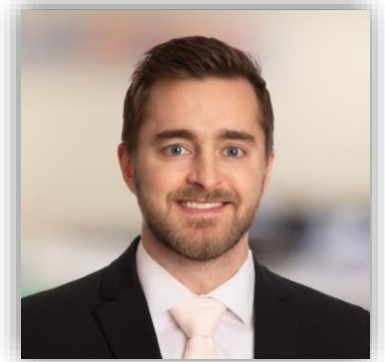


Joseph McCarthy, CFP[®], ChFC[®]



Senior Wealth Advisor

- With over nine years of experience, he helps clients navigate the financial decision-making process to help them achieve their short- and long-term goals.
- Bachelor's in Finance from Salisbury University
- Series 7 & Series 66 License
- Certified Financial Planner[®] (CFP[®])
- Chartered Financial Consultant (ChFC[®])





Secure 2.0

GLASSJACOBSON
WEALTH ADVISORS



- Passed in the House of Representative with a bipartisan vote of 414 to 5 (12/23/2022)
- Signed into law by President Biden (12/29/2022)
- Expansion of Setting Every Community Up For Retirement Act passed in 2019 (SECURE Act)
- Some provisions took effect in 2023, however many took effect January 1, 2024

RMD Changes



- **Starting Age**

- Previous RMD age of 72
- New Rule – 73 going up to 75 in 2033

- **Reduced penalty**

- Previously penalty was 50% of RMD if taken late.
- New Rule – 25% (decreased to 10% if corrected within 2 years)

- **Roth 401k's**

- No longer have to take RMD. (Roth IRA still do not have to take RMD)

- **Inherited IRA's (Traditional and Roth)**

- Eliminated "Stretch IRA" (Use of Life Expectancy) for most.
 - Chronically ill or disabled non-spouse beneficiaries.
 - Non-spouse beneficiaries not more than 10 years younger than the account owner who died.
 - A minor child of the account owner (biological child or legally adopted) but only until that child reaches age 21. Once the beneficiary reaches 21, they have 10 years to deplete the account.
- 10 Year Rule – Account must be completely drawn down by the end of 10 years after original account owner passed. (In addition to annual RMD's)

Birth Date	Applicable RMD Age
Before July 1, 1949	70 1/2
July 1, 1949 - 1950	72
1951 - 1959	73
1960 or later	75

401k Updates



- **Auto Enrollment** – 401(k) and 403(b) plans are required to auto enroll eligible participants (Exceptions for small businesses)
- **Emergency Withdrawal** – Up to \$1,000 from plan once per year without 10% penalty
 - Not eligible for an additional withdrawal for next three calendar years (unless original withdrawal is repaid first)
- **Catch-up Contributions** – Currently at \$7,500 on top of \$23,000 for age 50 and older.
 - **2025** – Addition of “Special” Catch up - \$10,000 for individuals aged 60 to 63
- **Roth 401(k) Catch-up** – if 50-year-old and earned more than \$145,000, catch-up contributions must be made on Roth basis.
 - Eliminates tax deduction for catch-up
 - Won't take effect until 2026
- **Student Loan Match** – Employer can make matching contributions to retirement plan based on student loan payment amount.
 - Employers' discretion



- **529/ Roth Rollover** – Can rollover over \$35,000 (lifetime) from 529 into a Roth IRA for plan beneficiary.
 - Beneficiaries must be the same
 - 529 must be open for at least 15 years
 - Can only rollover annual contribution limit (Currently \$7,000)
- **Qualified Charitable Distributions** – can now be made to Charitable Gift Annuities or Charitable Remainder Trusts with limitations
 - Limited to one \$50,000 QCD to a CGA or CRT per lifetime
 - Income beneficiaries must be donor and/or the donor and spouse
 - Distributions from the CGA or CRT will be taxed as ordinary income
 - Payments from the CGA or CRT must begin within one year
 - The CGA or CRT cannot accept gifts of other assets
- **Saver's Credit Contribution** – beginning 2027, Saver's Credit tax break is replaced by Fed matching contribution of 50% of individual retirement contributions up to \$2,000
 - Married filing jointly AGI up to \$73,000.
 - Heads of household AGI up to \$54,750.
 - Married individuals filing separately and singles AGI up to \$36,500.