

Is there something for you in Secure 2.0?

In December 2022, Congress gave the American people a belated holiday gift in the form of the Secure 2.0 bill. The 92 page piece of legislation was focused on retirement planning and included a little something for just about everyone. Here are a few of the provisions that could affect you, our clients.



- Ken Eaton CFA, CFP

Required Minimum Distribution Age Increase- If you are nearing or past the age of 70, you are likely aware that the age at which you are required to take distributions from your IRAs recently increased to 72. If you are turning 72 this year, you get one more reprieve. Thanks to Secure 2.0, the age increased to 73 starting this year, and will increase again to age 75 in 2033.

Catch-Up Contribution Changes- For some time now, workers over the age of 50 have been able to make catch-up contributions to their IRAs and retirement plans. The current catch-up contribution limits are \$1,000 for IRAs and \$6,500 for retirement plans. Starting in 2024, both will increase annually with inflation. Then in 2025, for workers between the ages of 60 and 63, the limit will increase again to either \$10,000 or 150% of the current regular catch-up contribution, whichever is greater. Workers making \$145,000 or more will only be able to catch up in Roth 401(k) plans.

529 Plan to Roth Conversions- One of the more interesting provisions of the Secure 2.0 bill is the ability to convert money in a 529 Plan into a Roth IRA for the 529 Plan beneficiary. There are many limiting factors including the length of time the 529 plan must be in existence before it can be used, the annual amount that can be converted, and the lifetime conversion limit. However, this option could still benefit parents who may have over-funded a 529 plan either because their child did not finish college or received scholarships and did not need to use the entire balance of their 529 Plan account.

These are just a few of the 90 or so changes included in the Secure 2.0 bill. Many of the others are targeted at specific groups including employers, people with student loan debt, and low-income savers. At Stepp & Rothwell, we are proactively reviewing all of the provisions to determine which ones apply to you and your family. We look forward to sharing our findings at your next quarterly meeting.

IN THE NEWS

Ken Eaton, was recently interviewed by *Ingram's Magazine* regarding the current economic climate. You can read the article [here](#).

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RISING STAR

Amy Guerich has been recognized by *the Independent* as a 2023 Rising Star. Each year, members of the community nominate Kansas Citians for this honor. Selection is based on candidates' passion for philanthropy, volunteerism, and community awareness as well as their effective, creative and impactful leadership.

Congratulations to Amy on this honor! You can read more on Amy and her fellow Rising Stars [here](#).

