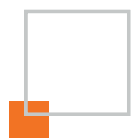




## The SECURE Act 2.0: Key Provisions Impacting Payroll

The Secure Act 2.0 is **designed to help Americans in retirement by saving through employer-sponsored plans.** One crucial aspect of the new law increases the importance of integrated payroll with 401(k) recordkeepers.

At Paycor, we understand the importance of compliance. **Our extensive network of 360-degree integration partners gives you freedom of choice and ensures seamless transactions,** eliminating the need for manual updates when making contribution changes.





## Mandatory Regulations

### Automatic Enrollment

*(Effective 1/1/2025)*

- Businesses adopting new 401(k) or 403(b) plans must enroll employees automatically.
- Employees will be enrolled at a contribution rate of at least 3%.

### Increase in Catch-Up Contributions

- Participants ages 60-63 can make catch-up contributions up to \$10,000 annually to a workplace plan which will be indexed to inflation. *(Effective 1/1/2025)*
- Catch-up contributions must be directed to Roth accounts for participants with income over \$145,000 in the prior year. *(Postponed to 2026)*

### Long Term/Part Time Eligibility

*(Effective 12/31/2024)*

- Long Term/Part Time (LTPT) employees who complete at least 500 hours in two consecutive plan years are eligible for the plan.
- Previously, eligibility required completing 500 hours in three consecutive plan years.

## Optional Provisions

### Student Loan Payments

*(Effective 12/31/2023)*

Starting in 2024, employers can match employee student loan payments by making matching payments to a retirement account.

### Emergency Savings

*(Effective 12/31/2023)*

- Defined contribution retirement plans can now include an emergency savings account, which is a designated Roth account.
  - Employees can contribute up to 3% of their salary, with a maximum contribution of \$2,500.
  - They can make up to four withdrawals each plan year without any fees.

### Roth Matches

*(Effective 1/1/2023)*

Participants have the option to designate employer matching or nonelective contributions to Roth accounts.



For more information on how Paycor can help,  
**visit [paycor.com](https://www.paycor.com)**

