

# The New Retirement Rules: Understanding SECURE Act 2.0

## Key Insights for Your Retirement Planning

**CHALLENGE:** The SECURE Act introduces roughly 100 new retirement rules for individuals and businesses, with various effective dates. Good planning requires a comprehensive review of the new rules and a strategy for investors to succeed in a shifting tax landscape.



### What's the Impact?

- The SECURE Act brings the most expansive change to retirement rules in 40 years, affecting individuals and businesses alike.
- Ultimately, the rule changes provide more ways for us to be better savers, and businesses are being urged to make it easier to do so.
- Planning is key—our collective goal is to understand the new rules and how they relate to your retirement.

### KEY #1:

#### The Secure Act Gives You **More Time to Save for Retirement.**

- **Required minimum distributions (RMDs)** are now pushed out to age 73 or 75, depending on your age:

| Birth Year | Impact of SECURE Act 2.0  |
|------------|---------------------------|
| <1951      | No Change                 |
| 1951–1959  | RMD age pushed back to 73 |
| 1960+      | RMD age pushed back to 75 |

- **Surviving spouse beneficiaries** can now adopt their deceased younger spouse's RMD schedule, meaning that "forced" retirement withdrawals can be delayed for the survivor.
- **No more age limits for contributing to an IRA.** You can keep investing past age 70½, provided you have income.
- **Enhanced catch-up contributions for 401(k) and 403(b)**  
(2024) 401(k) and 403(b) catch-ups will automatically adjust for inflation and have four age brackets:

| Age                      | Catch-Up Contribution Allowed        |
|--------------------------|--------------------------------------|
| Age 49 or younger        | No Catch-up                          |
| Age 50–59 <b>AND</b> 64+ | \$7.5k in 2023                       |
| Age 60–63                | > \$10k or 150% of standard catch-up |

### KEY #2:

#### The SECURE Act Gives You **More Ways to Save for Retirement.**

- Companies required to **auto-enroll** you in 401(k) or 403(b) plans. (2025)
- Auto-enrollment boosts how much you can save to 15%.
- **Roth accounts** are now available for SEP and SIMPLE plans, providing an after-tax savings opportunity.
- New **emergency savings plan option**, linked to retirement account, will allow penalty-free withdrawals for qualified events. Withdrawals capped at \$1k per year. (2024)
- **Lifetime income estimate** will be shown on your 401(k) and 403(b) statements detailing how your total savings will translate into monthly income.

## KEY #3:

### The SECURE Act Provides **New Ways to Use Your Money.**

- **Annual qualified charitable contribution** limits (currently \$100k) will be linked to inflation. (2024)
- You can use up to \$10k from **529 educational savings accounts to re-pay student loans** instead of withdrawing money from retirement savings.
- You'll be able to transfer up to \$35k (lifetime) from 529 plan funds to a beneficiary's Roth IRA, presumably, your child's, which will jump-start their retirement savings. (2024)
- Employees can withdraw \$2.5k annually from their company's retirement plan penalty free to pay for long-term care insurance (LTCi). (December 29, 2025)

## KEY #4:

### Your Kids Can Still Inherit Your IRA, **But** They Can Only Defer Taxes for Up to 10 Years.

- **New time limit for inherited accounts**, including Roth IRAs: beneficiaries must liquidate the account within 10 years. This eliminates the "stretch" IRA which allowed younger beneficiaries to "stretch" withdrawals over their lifetimes.
- **Exceptions** for surviving spouses, disabled or chronically ill beneficiaries, beneficiaries who are not more than 10 years older than the original owner, and minor children.

**SOLUTION:** You need to understand the impact these new retirement rules may have on you. You can take steps now to adjust your retirement strategies and estate plans and we can help.

*Always consult a tax professional before taking action.*

**Jason Vitucci, CFP®, EA**  
**Financial Advisor**  
**Vitucci Integrated Planning**

2890 N. Main St., Suite 201  
Walnut Creek, CA 94597

(925) 370-3750

jason@vitucciinancial.com  
www.vitucciintegratedplanning.com



**VITUCCI**  
**INTEGRATED**  
**PLANNING**

WEALTH MANAGEMENT • TAX PLANNING • INVESTMENT STRATEGIES

Jason Vitucci is a Certified Financial Planner professional offering securities and investment advisory services offered through Osaic member FINRA/SIPC. & a Registered Investment Advisor. Jason Vitucci CA Insurance License #0F59894. Tax Services not affiliated with Osaic. Osaic is under separate ownership and unaffiliated from any other named entity.

For general information only, not intended as tax or legal advice.

# The New Retirement Rules

## Highlights of the SECURE Act 2.0

**Jason Vitucci, CFP®, EA**  
**Financial Advisor**  
**Vitucci Integrated Planning**

2890 N. Main St., Suite 201  
Walnut Creek, CA 94597

(925) 370-3750

jason@vitucciipanning.com  
www.vitucciintegratedplanning.com



**VITUCCI**  
**INTEGRATED**  
**PLANNING**

WEALTH MANAGEMENT • TAX PLANNING • INVESTMENT STRATEGIES

| TOPIC  | NEW RULE   | COMMENTS  |
|--|--|---|
| <b>Required Minimum Distributions (RMDs)</b> | <ol style="list-style-type: none"><li>RMDs are gradually getting pushed back from age 72 to age 75 (depending on your age).<ul style="list-style-type: none"><li>1951–1959: Age 73</li><li>1960+: Age 75</li></ul></li><li>RMDs eliminated [Roth 401(k), 403(b), and 457(b)].</li><li>Penalties for missed withdrawals reduced from 50% to 25% with 3-year lookback.</li></ol>                       | <p>Changes allow investors more time to save before being forced into taking withdrawals from retirement accounts.</p> <p>The elimination of RMDs for certain Roth accounts now matches the rule for Roth IRAs.</p> <p>Now, the benefits of rolling a plan over to an IRA include investment options, fees, service, etc.</p> |
| <b>Surviving spouse beneficiaries</b>        | Surviving spouses can now adopt their deceased younger spouse's RMD schedule.  | Especially beneficial if a younger spouse passes away before an older, surviving spouse. RMDs for the surviving spouse can be postponed, matching the deceased younger spouse's RMD schedule.   |
| <b>Age limits &amp; IRA contributions</b>    | Investors may continue contributing to a traditional IRA past age 70½ provided they have earned income.  | Those wishing to work longer have more opportunities to save and the potential to create a larger nest egg when they finally retire.  |
| <b>Enhanced catch-up contributions</b>       | <ol style="list-style-type: none"><li>Catch-up contributions (including IRAs) will automatically adjust for inflation in 2024.</li><li>401(k)s and 403(b)s: catch-ups for aged 60–63 increased to the greater of \$10k or 150% of regular catch-up amount (2025)</li><li>SIMPLE Plans: catch-ups for aged 60–63 increased to the greater of \$5k or 150% of regular catch-up amount (2025)</li></ol> | <p>Allows participants in IRA, 401(k), 403(b), and SIMPLE plans to contribute more to their savings each year.</p> <p>If you can keep setting money aside each year, you'll defer taxes and grow more savings for your retirement years.</p>  |
| <b>Auto-enroll 401(k)/403(b) plans</b>       | <p>(2025) Companies required to auto-enroll employees in 401(k) or 403(b) plans:</p> <ul style="list-style-type: none"><li>Year 1: employer can defer your salary 3% to 10%</li><li>Year 2+: maximum deferral up from 10% to 15%</li></ul>   | <p>To encourage and increase retirement savings, your employer will be required to auto-enroll you in their 401(k) or 403(b) plan.</p> <p>You'll have to opt out if you don't want to participate.</p>  |

| TOPIC  | NEW RULE   | COMMENTS   |
|--|--|--|
| <b>SEP and SIMPLE plans get Roth options</b>     | Roth available in SEP and SIMPLE plans   | Previously, SIMPLE and SEP plans only allowed for pre-tax funds which are taxed when you make a withdrawal. Roths allow for after-tax savings. |
| <b>Emergency savings</b>                         | (2024) Employees can auto-enroll for emergency savings accounts offered in conjunction with qualified retirement plans. Withdrawals will be capped at \$1k per year. | Allows you to regularly set aside some money for unexpected expenses using your retirement plan.   |
| <b>401(k) lifetime income estimate</b>           | The new rule requires that your 401(k) statements include a “lifetime income disclosure.”  | Shows how your total savings will translate into monthly income.   |
| <b>Qualified charitable distributions (QCDs)</b> | (2024) QCD annual contribution limit of \$100k will be linked to inflation.  | Annual RMDs distributed from an IRA to a qualified charity will receive an annual increase if inflation rises.                                 |
| <b>529 accounts and student loans</b>            | Investors may withdraw up to \$10k from 529 education savings plans to repay student loans.  | Allows investors to use 529 funds instead of retirement savings to repay student loans.  |
| <b>529 transfers to Roth IRAs</b>                | (2024) Parents can roll over up to \$35k (lifetime) of 529 college funds into a beneficiary’s Roth IRA.  | May make it easier to save for your child’s education and jump-start their retirement savings.   |
| <b>Long-Term Care Insurance (LTCi) option</b>    | Employees can withdraw \$2.5k annually from their company’s retirement plan penalty free to pay for long-term care insurance (LTCi).                                 | Offers flexibility to use retirement dollars (before age 59½) to fund LTCi to protect against the high cost of an unplanned, critical illness. |
| <b>Inherited IRAs</b>                            | With certain exceptions, non-spouse beneficiaries of IRAs (including Roth IRAs) must liquidate the accounts within 10 years.   | Eliminates the “stretch” IRA which allowed younger beneficiaries to take distributions over their lifetimes vs. the new 10-year limit.         |

Jason Vitucci is a Certified Financial Planner professional offering securities and investment advisory services offered through Osaic member FINRA/SIPC. & a Registered Investment Advisor. Jason Vitucci CA Insurance License #0F59894. Tax Services not affiliated with Osaic. Osaic is under separate ownership and unaffiliated from any other named entity. For general information only, not intended as tax or legal advice.