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Important Notice to All Retirement Plans with Administrative Services Provided by TCG Administrators

This notice applies to all types of retirement plans that allow participants to defer money from their pay to a retirement plan. This includes 401(k), 403(b), and 457(b) plans. If you have more than one plan this applies to all of them.

In December 2022 Congress passed the Consolidated Appropriations Act, 2023. This included a major piece of legislation that affects all retirement plans, commonly referred to as “SECURE 2.0” (Title I—Expanding Coverage And Increasing Retirement Savings).

A significant new rule in this legislation will go into effect on January 1, 2024:

All participants age 50 or older, who earn \$145,000 or more in 2023, who wish to use the “age 50+ catch up” limit. must make these additional contributions as Roth deferrals into your plan.

The “age 50 catch up” limit is currently \$7,500 and will probably increase in 2024.

Thus, if you have participants in this category, and you want to allow them to continue taking advantage of the higher contribution limit in 2024, you must allow Roth accounts in your plan. No plan changes needed if your plan already allows Roth accounts.

If your plan does not currently allow Roth accounts, we will contact you well before the year end to see if you want to amend your plan. Keep in mind that if you do not amend the plan then some of your higher paid participants may have to reduce their contributions in 2024.

Even if your plan allows Roth accounts, this new rule will require changes in how we handle the administration of your plan so that we can assure that the rule is followed. This will include providing us with certain data that you may not currently be providing. We will be in contact with you well before the end of this year to describe how this will be handled and what you will need to do to accommodate this.

There are other changes to retirement plans that were included in SECURE 2.0 and we will provide you with an update soon on how TCG Administrators plans to address these.

If you have any questions please contact us:

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