

Ask Nanci: **What is the impact of SECURE 2.0 on younger (under 50) employees**

SECURE 2.0 (Setting Every Community Up for Retirement Enhancement Act) is a bipartisan bill aimed at expanding retirement savings opportunities and making it easier for workers to save for retirement. The bill includes various provisions that could benefit younger employees (under 50) such as the following:

Increase in Contribution Limits: The bill increases the amount that employees can contribute to their 401(k) plans each year. Starting January 1, 2022, the contribution limit will be increased from \$19,500 to \$20,500, with an additional increase of \$500 every two years thereafter. This will allow younger employees to save more for their retirement.

Auto-Enrollment: SECURE 2.0 encourages more employers to use auto-enrollment features in their retirement plans. This means that employees will be automatically enrolled in their employer's retirement plan unless they actively opt out. This will encourage younger employees to start saving for retirement early in their careers.

Access to Multiple Employer Plans (MEPs): The bill creates pooled employer plans (PEPs), allowing smaller employers to band together and offer a retirement plan to their employees. This will give younger employees who work for small businesses more access to retirement savings options.

Overall, SECURE 2.0 has the potential to make retirement savings more accessible and easier for younger employees, encouraging them to start saving early in their careers.



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