THE IRON CHRONICLES
ENTERPRISE IRON FINANCIAL INDUSTRY SOLUTIONS, INC.

Delivering impactful Business, Technology, & Workforce Solutions since 2002.

OCTOBER 2023 | VOL. 4 | ISSUE 4

From The Corner Office

Dear Valued Readers:

As we stand on the cusp of another transformative year, I am reflecting on the remarkable journey that has been 2023 for Enterprise Iron. This year, we've navigated uncharted waters, faced challenges head-on, and celebrated milestones that have reinforced our position as a leader in the industry.

Our steadfast commitment to client satisfaction and excellence in all aspects of our work has been the driving force behind our continued achievements, and I would like to thank all our clients, employees, partners, families, and friends for the support.

We continue to grow our suite of services and capabilities, embracing cutting-edge technologies and methodologies that redefine what's possible. Our dedicated experts go the extra mile, not only to meet our clients' needs but to surpass their expectations as we aim to provide custom solutions that not only enhance efficiency and productivity, but also nurture sustainable growth.

At this moment, some of our team members are in Maryland at the **ASPPA Annual Conference**. We're eagerly awaiting the culmination of conference season in a few short weeks at the **SPARK Forum** where Enterprise Iron will proudly serve as a Silver Sponsor. If you will be in attendance, I encourage you to connect with one of our team members and join our session, *SECURE 2.0 – Navigating the Compliance Landscape* on Monday, November 6th!

In our final issue of *The Iron Chronicles* for this year, we feature a highly-relevant article by Compliance Team Member, Margie Brown, entitled, ***SECURE 2.0 – Navigating the Compliance Landscape***. She details why it is crucial to begin taking the necessary steps toward compliance today, ahead of regulatory deadlines to be prepared for the required changes. We are ready and able to help you navigate these changing tides and implement the workarounds.

2023 has been a particularly collaborative year for Enterprise Iron as we've forged new partnerships and strengthened existing ones. Our Compliance Team developed our **C² Compliance Calculator** that works seamlessly with **Coherent's Spark** platform to deliver business calculations with speed and accuracy. We added two new strategic partners, teaming up with digital transformation experts, **Wirall**, to combine our technology and staff augmentation solutions in Latin America, and **IntelVox**, to strengthen our evolving **Contact Center Solutions**.

With the same enthusiasm and determination that have brought us this far, we eagerly anticipate the opportunities and challenges that the future holds as we set our sights to 2024. Thank you for being an integral part of our journey, and I look forward to connecting with you again very soon.

All the best,

John Crocker
Co-Founder & EVP
jrc@enterpriseiron.com
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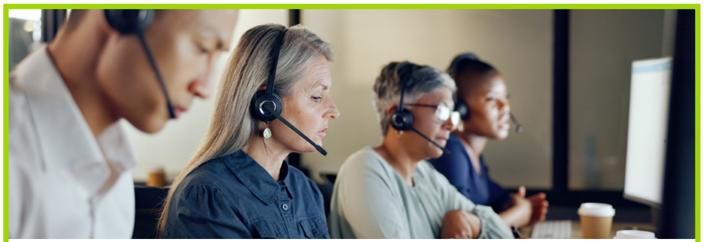

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SECURE 2.0: Navigating the Compliance Landscape

By Margie Brown, *Principal Consultant*

Are you prepared for adventure and ready to implement the biggest legislative changes in almost two decades brought on by the SECURE Act 2.0? For those of you also in the retirement industry – we are in this together! As you know, the passing of SECURE Act 2.0 created significant changes to plan provisions, recordkeeping systems, communication materials, and administrative processes.

To make things more challenging, we are traversing through staggering effective dates, while waiting for guidance, technical corrections, and any possible additional changes to the law. We have received some guidance from the IRS this year including workarounds for technical issues, but it is expected that additional guidance will take years to publish. The deadline to sign plan amendments under SECURE Act 2.0 is by no later than December 31, 2025 (for calendar year plans).

For governmental and collectively bargained plans, the deadline is December 31, 2027 (for calendar year plans). December 31, 2025, also coordinates with the deadline to sign the amendments under SECURE Act 2019, CARES Act, and Miners Act. In the meantime, plan sponsors must operate their plans in accordance with existing laws for mandatory provisions, along with tracking and maintaining operational compliance with any optional voluntary elected provisions from the date they became effective. Provisions under SECURE Act 2.0 must be tracked for three years, and five years for the SECURE Act 2019.

Employers, recordkeepers, payroll providers, consultants, and legal counsel will need to work closely in conjunction to implement and ensure plans are operating in compliance with the SECURE Act changes, and plan sponsors will need to educate and inform plan participants regarding these changes. Certain provisions may require manual workarounds as some service providers may not have an automated platform available or still need to update software programs to accommodate the changes. It is important that service providers have an operational checklist to assist plan sponsors in documenting and tracking elections until the plan amendment is signed.

The best way to move forward is to act now and establish best practices, if you have not yet started. Easier said than done, right?! Let's roll up our sleeves and get to work together to be prepared and not worry about scrambling at the last minute or missing an important deadline. Our Retirement Plan Compliance Services (RPCS) team will take the burden off your shoulders by developing and implementing tailored solutions that meet all your compliance needs!

Below are a few high-impact mandatory changes brought on by SECURE 2.0 this year:

PROVISION	WHAT CHANGED
Required Minimum Distributions (RMD) age increase	Increases the RMD age to 73 in 2023 and another increase to age 75 in 2033. *See note below regarding the recent transition relief and guidance in Notice 2023-54. One hot topic is the IRS is giving RMD reprieve for those born in 1951 that did not realize they could delay the RMD until age 73 (i.e., in 2024), they are permitted to treat this RMD as a rollover distribution providing the rollover is completed by September 30, 2023.
RMD excise tax reduction	Reduces the excise tax from 50% to 25% (and to 10% if the correction is made in a timely manner).
Qualified birth or adoption distributions (QBAD) recontribution deadline of 3 years after distributions (mandatory if QBADs are "permitted" in the plan)	Defines the QBAD "repayment" period to the three-year period beginning on the day after the date on which the QBAD was received. Applies to distributions made after the date of enactment. The deadline to repay a QBAD taken before December 29, 2022, is before January 1, 2026.

****Note: The IRS provided transition relief and guidance on the above Required Minimum Distribution by issuing** Notice-2023-54 (irs.gov).*

Below you will find a few mandatory changes effective by 2024:

PROVISION	WHAT CHANGED
Catch-up must be Roth for higher earning wage employees	Catch-up eligible participants whose wages in the preceding calendar year exceed $145,000 (as indexed) must contribute designated Roth contributions. *See note below regarding the administrative relief in Notice 2023-62.
Pre-death RMD Roth exemption	A designated Roth account under a plan is not subject to pre-death RMDs during the participant's lifetime.
Surviving spouse election to be treated as the employee for RMD purposes	If a participant dies before his or her required beginning date and their spouse is the sole beneficiary, the surviving spouse may elect to defer the RMD until the year in which the deceased spouse would have attained RMD age. The calculation is determined under the Uniform Lifetime Table.
Spousal/Child attribution fix	Allows spouses in community property states to use the "non-involvement" exception in determining controlled groups. Prevents parent-child attribution from creating a controlled group between businesses owned separately by the spouse. Note that a change in controlled group may result in a controlled group plan to become a MEP.

Note: Catch-up contributions treated as Roth contributions for higher-income participants. The Treasury and IRS received many concerns from the industry regarding the burden to timely implement this provision. There was also confusion regarding how the bill was written due to a technical drafting error removing catch-up contributions entirely in the year 2024.

The IRS provided much needed relief when releasing Notice 2023-62 announcing a two-year "administration transition period" delaying the effective date of the Roth catch-up requirement. This means that the plan sponsor can begin administering this law January 1, 2024, if they are ready to do so, but have until January 1, 2026, to implement it if they are not. Read: **Guidance on Section 603 of the SECURE 2.0 Act with Respect to Catch Up Contributions (irs.gov)**

Below you will find a few mandatory changes effective after 2024:

PROVISION	WHAT CHANGED
Long-term, part-time (LTPT) employees – 2025	Employees are eligible to join the plan upon the completion of two consecutive years (instead of the SECURE Act 2019 of three consecutive years) with 500 hours of service and attainment of age 21 by the end of the calendar year. The plan can have a lower age requirement. Service before January 1, 2023, is disregarded for eligibility and vesting purposes under the two-year rule. LTPT coverage is extended to 403(b) Plans (service prior to 2023 not counted for eligibility or vesting purposes). Guidance will be needed regarding how this new rule coordinates with the universal availability requirement applicable to 403(b) plans.
Mandatory auto enrollment – 2025	An Eligible Automatic Contribution Arrangement (EACA) is required for 401(k) and certain 403(b) plans (does not apply to collective bargaining plans, church plans, or governmental plans) established after December 29, 2022. Plans must automatically enroll eligible participants (3% minimum and 10% maximum), auto increase by 1% up to at least 10% of compensation (but capped at 15%). Participants must have at least 90 days to opt out and take a distribution of any automatic deferrals. Does not apply to: (1) 401(k) and 403(b) plans that were adopted on or prior to December 29, 2022; (2) governmental or church plans; (3) SIMPLE 401(k) plans; (4) new businesses (in existence for less than three years); and (5) small employers with fewer than ten employees.
Paper benefit statements – 2026	A defined contribution plan must provide at least one paper benefit statement to participants annually and one paper benefit statement every three years to participants in a defined benefit plan.

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The takeaway is to stay on top of any mandatory changes and effective dates, and to document any optional provisions elected and the effective date of the elected provision.

Our **Retirement Plan Compliance Services (RPCS)** team is highly skilled and can assist you with:

- Tailored solutions to suit your unique needs
- C^2 Compliance Calculator:
  We can help with the minimum distribution rules
- Plan Document Services:
  Regulatory plan amendments, restatements, new plan onboarding, and plan design changes
- Government Form Filling
- Audit & Operation Support
- Compliance Testing

Keep Enterprise Iron in mind and let us assist you with navigating this complex compliance landscape! Email us today **compliance@enterpriseiron.com** to get started!

Missed Our Recent Webinar with BizNuvo? *Catch the Replay!*

Earlier this month Enterprise Iron hosted its first live webinar in partnership with BizNuvo. In our session, *Unleashing the Future of Solution Delivery with BizNuvo's No-Code Development Platform!*, we discussed the revolutionary world of no-code solutions and conducted a platform demonstration exploring its vast capabilities and its many benefits to your business.

If you couldn't attend, don't worry! The recording is now available to watch here. Dive in to discover this technology that's reshaping application development. If you're eager to explore further or have any questions for the team, we invite you to request a personalized 1-on-1 demo.

Email Peter Lohri to schedule your session: plohri@enterpriseiron.com

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CALENDAR OF EVENTS

SS&C Deliver
October 22-24
Austin, TX

ASPPA Annual 2023
October 22-25
National Harbor, MD

SPARK Forum 2023
November 5-7
Palm Beach, FL

Reuter's Customer Service & Experience East
November 7-8
Brooklyn, NY