

# Setting Every Community Up for Retirement Enhancement



with Jim Farber

**An article** with this title is sure to have you rushing to the sports pages for the latest scores, but in this case it might be a good idea to read on because the first letter in each word of the title is SECURE, an acronym that describes a measure passed by Congress in late May affecting 401(k)/IRA plans. It must be acted upon by the Senate and sent on to the President for his approval before it becomes law.

As life expectancy increases one question gains importance each year – “will I outlive my retirement assets?” The SECURE Act has the potential to offer options to help avoid this. Two of them are:

**Lifetime income** – offers employers the option to add annuities to 401(k) plans that guarantee a monthly income to a retired participant for as long as he/she lives.

**Age limit on IRA contributions** – currently prevents contributions by individuals to IRA's beyond age 70½. This provision would remove the age limit.

Another option extends the age for **Required Minimum Distributions** from 401(k) plans to 72 from 70 ½ allowing an extended accumulation period of assets. The motivation behind these proposals is Congress and many employers desire to “help retirees make that money last” (Tergesen/Rubin, 2019). Included also are changes to permit part time employees to participate, new parents to take distributions of up to \$5,000 upon birth or adoption of a child penalty free, and withdraw \$10,000 from a 529 Education Plan for repayment of some student loans.

This brief description of the SECURE Act does not include all details or all of the various provisions. As with every piece of proposed legislation, the benefits do not fit all segments of the population the same and there will be changes as the Act moves toward finalization. Learning more about the act by watching its progress in the press and discussing it with advisors may be valuable.

If this outline triggers thoughts about your retirement goals or those of your employees and how these improvements can help, delaying your review of the baseball results may not seem so serious. Wishing you a safe and SECURE retirement.

For more information, please contact your trusted advisor at Swartzbaugh-Farber – ‘Client Centered – Client Advocates™’.