



## Secure Act 2.0

Written by Aaron Lindberg



The SECURE ACT 2.0 was signed into law in the final days of 2022. This legislation introduces significant changes to retirement savings. We highlight just a few of these changes below.

The age at which individuals must begin distributing from IRAs and retirement plans increases from 72 to 73 effective in 2023. The required beginning age will be further extended to age 75 in 2033. The Required Minimum Distribution age was previously extended from age 70 ½ to age 72 with the original SECURE ACT in 2020.

Catch-Up Contributions will be increased again in 2025. Currently people age 50+ can make an additional \$7,500 catch-up contribution. Beginning in 2025, individuals ages 60 through 63 will be able to make catch-up contributions up to \$10,000, and this will be indexed for inflation. One caveat used to fund the SECURE ACT 2.0 is that if an

individual's income was over \$145,000 in the prior calendar year, all catch-up contributions must be Roth contributions (no immediate tax savings).

To reduce fears associated with having funds left in a 529 account after higher education has been funded, remaining funds can be rolled over into a Roth IRA for the beneficiary. One requirement is the 529 must have been open for 15 years. The rollovers are also limited by the Roth annual contribution limit and a \$35,000 lifetime limit.

Another change beginning in 2025 requires employers to automatically enroll eligible employees in new 401(k) or 403(b) plans. Further, they are required to automatically escalate the employee's contribution by 1% per year. Employees can opt out of both of these, but clearly there is a push to get Americans saving for retirement and increasing their savings rates.

Social Security Taxability	Up to 50%	Up to 85%
Married Filing Jointly	32,001-44,000	44,000+
Single	25,000-34,000	34,000+
Earnings Before Social Security is Reduced (Before FRA)	21,240	

### 2023 Tax Reference Guide

IRA/ Roth IRA Contribution Limit	6,500
Age 50+ Catch Up	1,000
HSA Contribution Limit	
Individual	3,850
Family	7,750
Age 55+ Catch Up	1,000
Standard Deduction	
Married Filing Jointly	27,700
Single	13,850
401k Maximum Deferral	
Age 50+ Catch Up	7,500
Income Limit to Fund Roth IRA (MAGI)	
Married Filing Jointly	218,000
Single	138,000

## Charitable Giving Update

In the first quarter of the new year, we always love to update you on charitable giving for the prior year. The primary types of giving we track are distributions from Donor Advised Funds (DAFs) to the end charities, gifts by GEN clients of appreciated investments, qualified charitable distributions from IRAs, GEN corporate giving and funds raised by GEN Children's Charity. We understand that GEN clients are generous beyond these methods, but these are trackable metrics for us. 2022 posted the highest tracked giving so far with giving distributed to charities in excess of \$1,750,000! This brings total tracked giving for the past three years to nearly \$4.25 million. Thank you again for allowing us to take part in your substantial and joyous generosity.

Our top 5 charities that received donations for our 2022 Charitable Gift Match are the Animal Humane Society, Metro Hope Ministries, Sharing & Caring Hands, St. Jude Children's Research Hospital, and The Salvation Army.



## Welcome GEN's New Team Members

### Lindsay Strand

Client Service Associate

Lindsay works with a number of clients on meeting prep, follow up, and paperwork. She ensures that client related requests are processed accurately and efficiently.



### Lindsey King

Client Concierge

Lindsey manages the office calendar and directs calls and questions to the best resource available. Please contact Lindsey with any meeting requests or changes.

*Materials discussed in this newsletter are meant for informational purposes only.  
Always seek professional advice before making any decisions.*

We welcome your thoughts, comments and suggestions regarding our newsletter.  
Please contact Claire Henry at [claire.henry@genfinancial.com](mailto:claire.henry@genfinancial.com)