



## SECURE Act 2.0: Tips for an Evolving Landscape

With the anticipation of a potential SECURE Act 3.0 in the near future, here's what you need to know about SECURE Act 2.0 and what has developed since it was signed into law in December of 2022.

The Enhancing American Retirement Now (EARN) Act, also known as the SECURE Act 2.0, was passed as part of the Consolidated Appropriations Act of 2023. Since then, the retirement-planning landscape has continued to shift, with many provisions now in effect and others still rolling out through 2026 and beyond. The IRS and Treasury also have issued several rounds of guidance to clarify implementation, giving financial professionals more certainty as they help clients navigate the evolving rules.

Keep in mind that not all retirement-plan providers or IRA custodians have implemented every provision, even if they are technically in effect. Be sure to check with providers to determine availability.

While there's nothing as headline-grabbing as the "death of stretch" from the original SECURE Act, the SECURE Act 2.0 includes several impactful changes that affect retirement planning.

Many popular provisions—such as 401(k) matching for student loan payments and 529-to-Roth IRA transfers—are now live or will be soon.

**Here are several key provisions, along with updated context and guidance as of 2026.**

### New RBD for RMDs

Effective 1/1/23, Section 107 changed the required beginning date (RBD) for required minimum distributions (RMDs) to April 1 of the year following the year the account owner turns 73. That means individuals who turned 72 in 2023 had one more year before their RMDs began. The RBD will increase again to age 75 starting in 2033.

**TIP!** Reach out to clients who expected to start RMDs in 2023 or 2024 and determine whether a distribution is still desirable based on their income needs and tax situations.

### COLAs Now Allowed for Certain Annuities

Section 201 removed RMD barriers for life annuities, allowing annuities with increasing payments of less than 5%—such as cost-of-living adjustments (COLAs)—to satisfy RMD rules. This provision is effective for all calendar years ending after the Act's enactment.

**TIP!** As traditional qualified accounts are "spend down" vehicles, consider whether clients may benefit from additional lifetime income with a COLA feature.

### Improved QLACs

Effective 2023, Section 202 expanded access to qualifying longevity annuity contracts (QLACs). The 25% limit was eliminated, and the maximum purchase amount was increased to \$200,000 (indexed for inflation—now \$210,000 in 2026).

**TIP!** Clients with traditional qualified accounts may want to consider whether a QLAC fits into their income strategy, especially if they're concerned about longevity risk.

Insurance products can be issued in all states, except New York, by Pacific Life Insurance Company or Pacific Life & Annuity Company. In New York, insurance products are only issued by Pacific Life & Annuity Company. Product/material availability and features may vary by state

**No bank guarantee • Not a deposit • May lose value  
Not FDIC/NCUA insured • Not insured by any federal government agency**

**This material is intended for financial professional use only. Not for use with the public**

## Lower Penalties for Missed RMDs

Section 302 reduced the excise tax on missed RMDs from 50% to 25%. If the missed RMD is corrected in a timely manner, the penalty drops further to just 10%. This provision is effective for all taxable years beginning after the Act's enactment

## QCDs Get a COLA

Section 307 added inflation indexing to qualified charitable distributions (QCDs), effective for all taxable years after the Act's enactment. The indexed limit for 2026 is \$105,000. Additionally, a one-time QCD of up to \$54,000 to a split-interest entity now is allowed.

**TIP!** Reach out to clients age 70½ or older to inform them about the indexed QCD limit and remind them that QCDs remain a powerful tool for tax-efficient charitable giving.

## Roth Option Now Available for SIMPLE and SEP IRAs

Section 601, effective for all taxable years beginning after 12/31/22, allows Savings Incentive Match Plan for Employees (SIMPLE) and simplified employee pension (SEP) IRAs to offer a Roth option. While the provision is in effect, many custodians took time to update systems, and adoption has varied.

**TIP!** This is a great opportunity for small businesses to re-evaluate their IRA-based retirement plans. Reach out to clients to determine whether adding a Roth option is beneficial—or if a 401(k) might be a better fit.

## Employer Matching Allowed as Roth Contributions

Section 604 allows employers to offer matching or nonelective contributions as Roth (after-tax) contributions, provided they are fully vested. This provision became effective immediately upon enactment, but implementation has been slow due to administrative complexity.

**Clarification:** IRS guidance issued in late 2023 confirmed that employees must be fully vested to elect Roth treatment and that the election must be made before the contribution is allocated. Plans are not required to offer this feature, and many have opted to wait for further system updates.

## Catch-Up Contributions for High Earners: Delayed and Clarified

Originally slated for 2024, the requirement that catch-up contributions for participants earning more than \$145,000 be made as Roth contributions has been delayed until 2027. Final regulations issued in September 2025 clarified that plan administrators may aggregate wages across employers and provided a good-faith compliance window through 2026.

## What's Still to Come

Several provisions are still pending implementation:

- **Automatic Enrollment:** Starting in 2025, new 401(k) and 403(b) plans must automatically enroll eligible employees at a rate of at least 3%, increasing annually to at least 10% (but not more than 15%). Existing plans are exempt.
- **Higher Catch-Up Contributions for Ages 60–63:** Beginning in 2025, individuals in this age range can contribute up to \$11,250 in catch-up contributions (150% of the standard limit), indexed for inflation.
- **Expanded Access for Long-Term Part-Time Workers:** Starting in 2025, employees with at least 500 hours of service in two consecutive years must be allowed to participate in employer-sponsored retirement plans.

## Provide Updated Guidance as Clients Navigate the Rules

This is an act with several effective dates and more clarification to come, which can cause a great deal of confusion for clients. Stay alert and aware, and be sure to reach out to clients as soon as possible to help them maximize the benefits and reduce the impacts under the Act's provisions.

### ACTIONS YOU CAN TAKE RIGHT NOW

- **Analyze how SECURE Act 2.0 could affect clients of various backgrounds.**
- **Identify clients whose retirement-savings plans may be impacted by the Act.**
- **Discuss planning for active and incoming provisions in 2026 and beyond.**

### Additional Resources and Links

1. [One Big Beautiful Bill Act: Key Provisions](#)
2. [The One Big Beautiful Bill Act \(OBBBA\) on Social Security Taxes: A Deduction—Not a Repeal](#)
3. [Planning Strategies](#)

For more information about retirement planning,  
please contact our Retirement Strategies Group at  
[RSG@PacificLife.com](mailto:RSG@PacificLife.com) or (800) 722-2333, ext. 3939.

[Annuities.PacificLife.com](https://Annuities.PacificLife.com)

---

*Pacific Life is a product provider. It is not a fiduciary and therefore does not give advice or make recommendations regarding insurance or investment products.*

This material is provided for informational purposes only and should not be construed as investment, tax, or legal advice. Information is based on current laws, which are subject to change at any time. Clients should consult with their accounting or tax professionals for guidance regarding their specific financial situations.

Pacific Life refers to Pacific Life Insurance Company and its subsidiary Pacific Life & Annuity Company. Insurance products can be issued in all states, except New York, by Pacific Life Insurance Company and in all states by Pacific Life & Annuity Company. Product/material availability and features may vary by state. Each insurance company is solely responsible for the financial obligations accruing under the products it issues.

The home office for Pacific Life & Annuity Company is located in Phoenix, Arizona. The home office for Pacific Life Insurance Company is located in Omaha, Nebraska.

**This material is intended for financial professional use only. Not for use with the public**

---



THE OFFICIAL SPONSOR  
OF RETIREMENT\*