



GENERAL RELEASE

January 8, 2024

Update: SECURE Act 2.0 - 2024

Dear Plan Sponsor,

Happy New Year! As we welcome 2024, U.S. OMNI & TSACG Compliance Services (OMNI/TSACG) would like to update you on the SECURE 2.0 provisions that impact your organization's 403(b)/457(b) plan(s) this year. Below is a summary of the 2024 provisions and how OMNI/TSACG will be administering these provisions on your organization's behalf.

Elimination of Required Minimum Distributions (RMDs) in ROTH Accounts

Beginning in 2024, individuals will no longer be required to take RMDs from ROTH designated accounts. This provision is mandatory and applies to individuals who have a ROTH 403(b) or 457(b) account. OMNI/TSACG will administer your organization's plans pursuant to this mandatory requirement.

New Domestic Abuse Distribution

Effective 1/1/24, a new distribution has been created for domestic abuse victims. The maximum amount available for this distribution is the lesser of: \$10,000; or; 50% of the vested account balance. Employees may self-certify that they meet certain requirements and that this distribution is being requested within a one-year period beginning when the employee is a victim. OMNI/TSACG will include this new distribution in your organization's plan(s) unless we receive a contrary direction from you.

Hardship Withdrawal Source Expansion

Prior to SECURE 2.0, 403(b) hardship distributions could only be taken from employee elective contributions exclusive of earnings. Beginning in 2024, SECURE 2.0 will now permit hardship distributions to be taken from non-elective and matching contributions inclusive of earnings as well as earnings on elective contributions. OMNI/TSACG will include this contribution source expansion in your organization's plan(s) unless we receive a contrary direction from you.

Update: SECURE Act 2.0 - 2024

New Emergency Expense Distribution

In 2024, employers may permit this optional distribution for an emergency personal expense. Employees are permitted to self-certify that they meet certain requirements and may receive the lesser of: \$1,000; or the vested balance over \$1,000. The employee can only receive one emergency expense distribution per calendar year and requires repayment in order to receive another distribution. Any repayment information, however, resides with the applicable investment provider since distribution repayments are made directly to the investment provider, not OMNI/TSACG. Without access to this information readily available, the administration of this optional provision could create potential and unnecessary compliance issues. Therefore, OMNI/TSACG will not include this optional distribution in your organization's plan unless we receive a contrary direction from you.

As a reminder, SECURE 2.0's mandatory ROTH age 50 contributions for certain individuals that was initially effective 1/1/24 has been delayed by the IRS for two years. As such, this mandatory provision will not be required in 403(b) and 457(b) plans until 1/1/26. As this new deadlines approaches, OMNI/TSACG will be contacting your organization regarding any required action.

If you have any questions about the above or anything 403(b) or 457(b) related, please contact your Client Relations Manager at 1-877-544-6664.

Regards,

U.S. OMNI & TSACG Compliance Services