



HENDRICKS WEALTH & ESTATE MANAGEMENT

INVESTOR

TOPICS

SPECIAL
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SECURE ACT 2.0: WHAT DOES IT MEAN FOR YOU?

In the final days of 2022, Congress passed a new set of retirement rules designed to make it easier to contribute to retirement plans and access those funds earmarked for retirement.

The law is called SECURE 2.0, and it's a follow-up to the Setting Every Community Up for Retirement Enhancement (SECURE) Act, passed in 2019. The sweeping legislation has dozens of significant provisions, so to help you see what changes may affect you, we have highlighted a few of the main points below.

Required Minimum Distribution (RMD) age will rise to 73 in 2023.

By far, one of the most critical changes was increasing the age at which owners of retirement accounts must begin taking required minimum distributions (RMDs). And starting in 2023, RMDs may begin at age 73. If you have already turned 72, you must continue taking distributions. But if you are turning 72 this year and have already scheduled your withdrawal, we may want to revisit your approach.¹

Catch-Up Contributions for Workplace Retirement Plans.

Starting January 1, 2025, investors aged 60 through 63 can make catch-up contributions of up to \$10,000 annually to workplace retirement plans. The catch-up amount for people aged 50 and older in 2023 is \$7,500. However, the law applies certain stipulations to individuals earning more than \$145,000 annually.²

529 to a Roth.

Starting in 2024, pending certain conditions, individuals can roll a 529 education savings plan into a Roth IRA. So if your child gets a scholarship, goes to a less expensive school, or doesn't go to school, the money can get repositioned into a retirement account. However, rollovers are subject to the annual Roth IRA contribution limit. Roth IRA distributions must meet a five-year holding requirement and occur after age 59½ to qualify for the tax-free and penalty-free withdrawal of earnings. Tax-free and penalty-free withdrawals are allowed under certain other circumstances, such as the owner's death. The original Roth IRA owner is not required to take minimum annual withdrawals.³

Although not tied to SECURE Act 2.0, another key change for 2023 is that annual contribution limits for Roth and Traditional IRAs have increased to \$6,500 with a \$1,000 "catch-up" provision for investors age 50 or over. Please note that if you have automatic contributions into your Roth IRA and you would like to reach the new contribution limits, please contact us at 847-428-3997.

1. Fidelity.com, December 23, 2022 2. Fidelity.com, December 22, 2022 3. CNBC.com, December 23, 2022



GO PAPERLESS IN 5 SIMPLE STEPS!

In the upcoming weeks, TD Ameritrade will be contacting our clients who have not yet created an account on AdvisorClient.com as a reminder that this is the method in which you can elect to go paperless with delivery of your monthly statements. The process is simple and can be accomplished in 5 steps.

For clients with multiple accounts, you will need only 1 account number to start the process and then you can select all of your accounts when enrolling in paperless delivery. This process must be completed by each account holder in the household.

Although you are creating an account on AdvisorClient.com, we would still recommend that you utilize Black Diamond for your account performance data, accessing your statements and sharing documents with us.

Step 1: Have your account number ready
(this can be found on your monthly statement)

Step 2: Visit AdvisorClient.com and click the "Get Started" button

Step 3: Your identity will be verified using the phone number provided when you opened your account(s). You can choose to receive either a call or a text message to provide you with a unique 6-digit code to enter during the set-up process.

Step 4: Create your log-in ID and password.

Step 5: During the setup process, you will see a page asking if you want to enroll in paperless. Enter your email address and click continue.

MEET OUR LATEST ADDITION TO THE TEAM

If you have called or stopped by our office in the past few weeks, you may have noticed we have added a friendly new face to the team! **Ashley Casey**, or "Ash", has joined us as Assistant Office Manager and will be assisting us in providing our clients with top tier customer support. Please help us welcome Ash to the Hendricks Wealth & Estate Management team!



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