**Legislative Update**

**January 2023**

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| SECURE 2.0 Act of 2022, an important piece of retirement legislation, was passed by Congress. Its provisions are intended to increase savings, expand access to retirement plans and give more workers the opportunity for lifetime income in retirement. TIAA applauds this legislative milestone. **Some of the highlights are:** **Improved opportunities for saving and income preservation:** * Employers can now make matching contributions based on employees’ qualified student loan repayments. Effective date: after 12/31/23.
* Catch-up contributions must be designated as Roth for participants earning $145,000 or more. Effective date: after 12/31/23.
* The annual limit on catch-up contributions has been increased to $10,000 for workers age 60-63. Effective date: after 12/31/24.
* Required minimum distribution (RMD) age has been increased to 73 in 2023 and 75 in 2033, though additional guidance will need to be issued. Effective date: 1/1/2023.
* Removes regulatory barriers to annuitization some participants faced. Effective date: calendar years ending after the date of enactment.

**Simpler plan administration:** * Allows participants to self-certify for hardship distributions. Effective date: after the date of enactment.
* Permits the consolidation of certain required reporting and disclosure requirements. Effective date: directs the Treasury and DOL Secretaries within 2 years to adopt regulations.
* Provides an exception for distributing certain otherwise-required notices to unenrolled employees. Effective date: after 12/31/22.

**Expands access to retirement plans:*** Permits 403(b) sponsors to join a multiple employer plan or pooled employer plan. Effective date: after 12/31/22.
* Participants will have access to their plan account for emergency situations. Effective date: after 12/31/23.
* Long-term, part-time workers will be able to enroll in a retirement plan faster with a reduced service requirement of two years, down from three. Effective date: after 12/31/24.

**SECURE 2.0 does not allow CITs in 403(b) plans:**Congress enhanced the federal tax code to allow 403(b) plans to offer Collective Investment Trusts. However, federal securities laws still need to be amended for 403(b) plans to include CITs. As a result, CITs are still unavailable in 403(b) plans.   |

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“Well, that should cover tuition!

A college student in Virginia won a [$1-million jackpot](http://links2.newsletter.chronicle.com/u/click?_t=d6b85331c7f64991b3bfd8ac52407544&_m=4153deb389d6434b9ff166a58510edb0&_e=1uH3sOIFtMmXWv-LGcCjAgujjI7q_fDBuNfmuI87xnb3-y-uWhChQBfPRqAZKqN4-N1euGBbIqMugubOPd1saJ9-Wyd81pR9FkrtLEm0QjWzV8UB5QZy1asM8SJlWZr51idUHZlQexi2n_ZX2GLp6qoZ0RC5HQeQEJeEy_VS2hbAmB2JsEArESZ-G_aAcb0cfnp2oFW7g1cpMYawdcVK8uvhi8f0PK6HEoMuSktGx8QkmCB5g-_52oS1E50K5jdSEPCIMVtk-qLOX9P8IIxPWyvdzvjW2LVxISIY-f5KRAu8zwhYSJMGJ0Zr7ds33Imy-NyU2bwBq8x9iu1vJ1B2JU_jy8rbP4l6aBw_3gnr48_O-P6r6GhQUw83M9TJKjGnsFsjt6_vmenNBRPiVZ04DeytuE_AYqy36Hymqi-bD56JCQHRdJE1QM-I_CYuTcasSGDTIU6oqtSxpllLx9E0EhRGetGpNEc-H39ZBjlTZrM%3D) after buying a $30 scratch-off ticket at a 7-Eleven in Virginia Beach. Perla Gomez opted to receive a one-time cash deposit of $640,205 (before taxes) instead of having the full $1 million paid out over 30 years.

The chances of winning the top prize were 1 in 1,060,800, according to Virginia lottery officials.” (The Chronicle of Higher Education)

The U.S. House of Representatives adjourned for a second night on January 4, 2023 without electing a new speaker. GOP leader Kevin McCarthy, R-Calif., failed to secure enough votes to be elected to the post.

Be aware of increasing minimum wage requirements for any impacted employees. Pursuant to changes in Virginia law, make any necessary adjustments to hiring and staffing budgets.

* $12.00 effective January 1, 2023
* $13.50 effective January 1, 2025
* $15.00 effective January 1, 2026

Employees working on federal contracts will have a $15 minimum wage starting on Jan. 30, 2022.

Summary of Significant Dates in the 2023 Session (Based on previous odd-year sessions):

The Virginia General Assembly convenes January 11, 2023.

Bill Cut-Off is at 3 p.m., Friday, January 20th, 2023.

Bill Cross-Over is Tuesday, February 7, 2023.

Last Day of Session is Saturday, February 24, 2023. Sine Die.

The last day is usually always Saturday unless the session gets extended for some reason. The House and Senate have to agree to a resolution in order to change the date.

Reconvene Session is Wednesday, April 12, 2023