



# COLORADO SECURESAVINGS SECURE 2.0

## SECURE 2.0 ACT RELATED TO NEW PLANS

To go along with this new mandate is the timely passage of SECURE 2.0! While there are MANY provisions in this Act (which we will keep you apprised of as more guidance is released), there are a couple of important provisions that may affect an employer's decision to start a Plan now:

- For plan years beginning after December 31, 2024, employers who have been in business for at least three years and have more than 10 employees will be required to offer automatic enrollment if they are starting up a new 401(k) or 403(b) plan. Plans that start now are not subject to the mandatory participation rule. (Colorado SecureSavings also requires automatic enrollment, unless an employee opts out.)
- SECURE 2.0 has increased the tax credit for starting a plan!
  - For plans started in 2023, the credit has increased to 100% of administrative costs and ranges from \$500 to \$5,000 (for employers with up to 50 employees – employers with 51-100 employees will continue to qualify for the existing 50% credit).
  - An additional 100% credit of up to \$1,000 per employee (who earns less than \$100,000 in the first year of the plan) is available for employer contributions made for these employees for the first and second years. The credit steps down to 75% for year three, 50% for year four and 25% for year five.
  - Employers are encouraged to discuss these credits and all applicable rules with their accountant/CPA.

With the Colorado SecureSavings Program going into effect, as well as the credit allowances and future mandatory provisions under SECURE 2.0, there is no better time to help employers assess if a start-up retirement plan is right for them!

Feel free to reach out to me with any questions on this information or about how we can assist you in either speaking with prospective clients about these items and/or starting a new retirement plan!

## Colorado SecureSavings Program:

As you are probably already aware, in June of last year, Colorado passed the "Colorado SecureSavings Program" which will affect nearly every business in the State & New Mexico.

All employers with FIVE (5) or more employees are subject to the mandate and are required by law to facilitate Colorado SecureSavings if they do not already offer a retirement plan for their employees.

Employers will receive enrollment communication directly from Colorado SecureSavings either via e-mail or mail, inviting them to register – these communications have started to go out. During registration, they will either need to affirm that they are exempt because they already sponsor a qualified retirement plan or they will be required to walk through the steps to onboard their company for participation in the Program.

### Registration deadlines:

|                                     |                |
|-------------------------------------|----------------|
| Employers with 50 or more employees | March 15, 2023 |
| Employers with 15 – 49 employees    | May 15, 2023   |
| Employers with 5 – 15 employees     | June 30, 2023  |

### Compliance Deadline:

|  |                   |
|--|-------------------|
| All Employers with 5 or more employees | February 15, 2024 |
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While the Colorado SecureSavings Program may be a viable option for some employers, it may not be for all. *You may have an opportunity to assist a business owner in starting a qualified plan that will not only meet the State's mandate of providing a savings program to their employees but could also prove to be beneficial for their OWN retirement savings goals.*

For more information please reach out to Damon Harper at [dharper@qpscentral.com](mailto:dharper@qpscentral.com) or 303-726-9830 [www.qpscentral.com](http://www.qpscentral.com)