

SECURE 2.0 Webinar

Mandatory Employee Retirement Plans & What You Need To Know

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Welcome!



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Introductions

- Marge Murphy, host
- Brad Johnson, Horizon
- Keith Page, saveday

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Agenda

- Introductions
 - Who is Horizon?
 - Who is saveday?
- Discussion
 - SECURE 2.0 Overview
 - What SECURE 2.0 means for employers
- Open questions

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Brad Johnson, Horizon Payroll



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Keith Page, saveday



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SECURE 2.0 Act

- Passed by Congress in December of 2022
- Expanded on SECURE Act from 2019
- Intended to make retirement more accessible to Americans, while making offering retirement benefits more attractive to employers
- Updated and added new retirement account provisions
- In response, states began creating and passing legislation requiring private employers to offer retirement benefits
- Over 30 states have considered enacting legislation
- 17 states have fully passed laws enabling state plans

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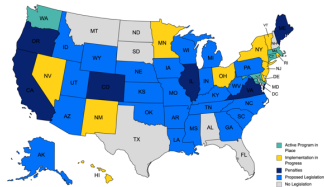
What does SECURE 2.0 Act mean for employers?

- To avoid fines & penalties you may be required to put in place a retirement plan for your employees
- The requirement is state specific
- The retirement plan can be offered through a private provider or a state-sponsored plan

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When do I need to act?

- States with upcoming deadlines in 2023:
 - California
 - Illinois
 - Maine
 - Maryland
 - Virginia
- Many other states have already considered similar legislation; it's simply a matter of time before all states require



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How can offering a retirement plan benefit my business?

- Legal compliance
- Avoidance of costly fines and penalties
- Help your employees save for retirement at no cost to you!
- Possible eligibility for federal tax credits
- Opportunity to attract and retain top talent

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Options for employers in states with mandated plans

Find a private provider

- Qualified retirement plans include defined-benefit plans (pensions) or **defined-contribution plans**
- Examples of qualified defined-contribution plans include:
 - Traditional 401(k) plans
 - Pooled Employer Plan
 - Industry-specific plans like 403(b) or 457

Opt in to state-sponsored plan

- Cookie cutter
- IRAs only
 - Low contribution limits (\$6,500 in 2023)
 - Insufficient for retirement planning alone
- Increases workload
 - Requires employer to do plan administration
- Increases fiduciary risk
- Can be costly
 - Per-employee charges and annual fees

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Private provider options



Pooled Employer Plan



401(k) Plan

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Horizon's Pooled Employer Plan

A **Pooled Employer Plan (or PEP)** is a **new** type of retirement plan designed specifically for small businesses and their employees

- A PEP is a **defined contribution plan**, like a 401(k), that allows multiple employers to pool their assets under one plan, professionally administered by a provider
- **Horizon is acting as the Pooled Plan Provider (P3)**
- A PEP acts as a fiduciary shield, protecting the employers from risk while also handling most of the administrative responsibilities of a retirement plan, including
 - Filing
 - Reporting
 - Census Data
 - NDT/Audits

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401K is also an Option

401(k) plan is an employer sponsored, defined-contribution, personal pension account

- Larger organizations with over 100 employee participants
- Customized

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The Horizon/saveday Solution

- Payroll Deductions
- Employee Contributions
- Portfolio Management
- Compliance
- Reporting
- Customer Support

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Q&A: Got questions? We've got answers!

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How Do You Get Started?

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Thanks for attending!

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