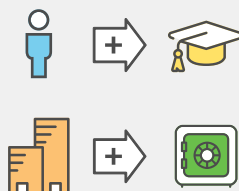


SECURE Act 2.0

Bipartisan legislation that would expand access to retirement accounts and increase retirement savings.

In March 2022, the House of Representatives passed the Securing a Strong Retirement Act of 2022. Later in June 2022, Senate committees advanced two pieces of retirement legislation, the Retirement Improvement and Savings Enhancement to Supplement Healthy Investments for the Nest Egg Act (RISE & SHINE Act) and the Enhancing American Retirement Now Act (EARN Act). **The bills include important reforms that would improve Americans' retirement security.** It is expected that Congress will combine elements of these bills into one package that is commonly referred to as the **SECURE Act 2.0**.

Of particular importance, the legislation would help millions of employees burdened with student debt, by allowing employers to make a **matching contribution to the employee's retirement plan** in the amount the employee is paying towards their student loans.



FIDELITY INSIGHT

Fidelity's research shows that many workers with student debt are **delaying contributing to their retirement account**.

79% of borrowers say student loans **impact their ability** to save for retirement¹

35% of Fidelity Student Debt Tool users report contributing only **between 0-5% of their salary to their 401(k)**²

This change would ensure that employees would not be forced to **choose between paying off student loans and saving for retirement**.

Other important provisions in SECURE 2.0 include:



Raising the **RMD Age to 75**, which would allow Americans to continue to build their retirement savings



Eliminating unnecessary plan disclosures to un-enrolled participants



Allowing 403(b) plans to be maintained as a **multiple employer plan (MEP)** or **pooled employer plan (PEP)**



Allowing participants to self-certify that they have had an event that constitutes a deemed hardship for purposes of **taking a hardship withdrawal from a 401(k) plan or a 403(b) plan**

Fidelity urges Congress to pass the SECURE Act 2.0

¹ Workplace Investing Plan Participant Student Loan 2016 Study, responses from 496 members (10/27/16 – 11/7/16)

² Fidelity Investments Student Debt Tool as of December 31, 2020.