

SECURE 2.0 Act of 2022

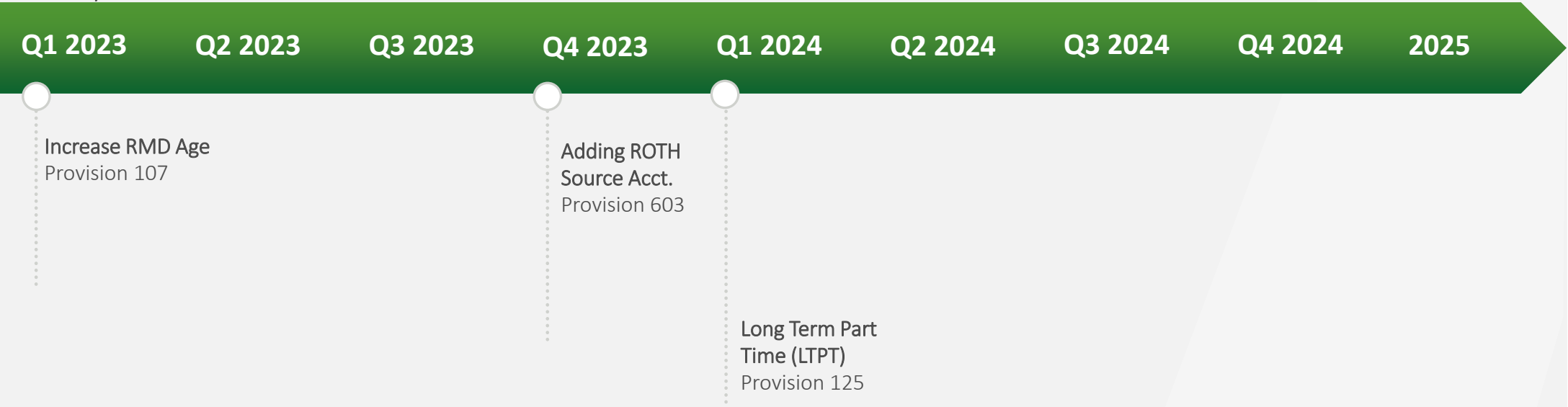
More retirement help for **all Americans**

Participant Communications

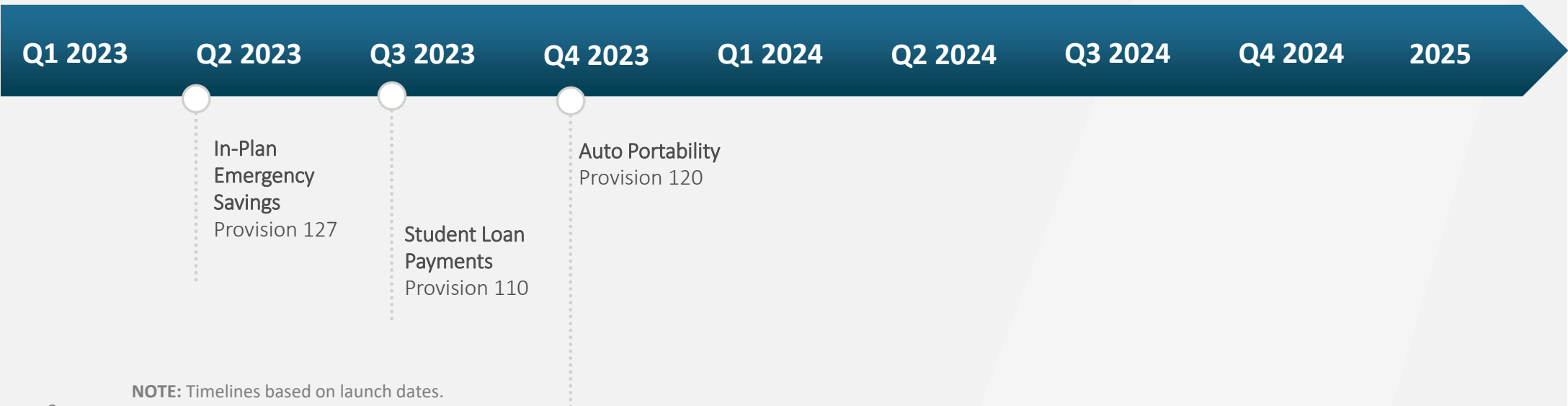


Provision Timeline

Mandatory Provisions



Optional Provisions




NOTE: Timelines based on launch dates.

SECURE 2.0

Required changes for plan sponsors*

- ✔ Further increase in the Required Minimum Distribution age
- ✔ Certain catch-up contributions required to be Roth
- ✔ Further expansion of eligibility to long-term, part-time workers
- ✔ Required auto-enrollment for new DC plans
- ✔ Annual paper benefit statement



! Plan sponsors must ensure compliance with these provisions

NOTE: This is not a complete list of provisions.

*The applicability of each provision depends upon plan type (DB, DC, ERISA, non-ERISA, etc.). Detailed information will be provided to Fidelity's plan sponsor clients in subsequent communications.

SECURE 2.0

Optional changes for plan sponsors



! Plan sponsors will also need to consider whether to adopt these provisions

- ✓ Student loan payments match
- ✓ Additional catch-up contribution opportunities
- ✓ Matching and non-elective contributions could be Roth
- ✓ Increase in cash-out limit
- ✓ Self-certification of hardship withdrawals
- ✓ Automatic portability*
- ✓ Eliminate disclosures for eligible unenrolled participants
- ✓ In-plan emergency savings accounts

NOTE: This is not a complete list of provisions.

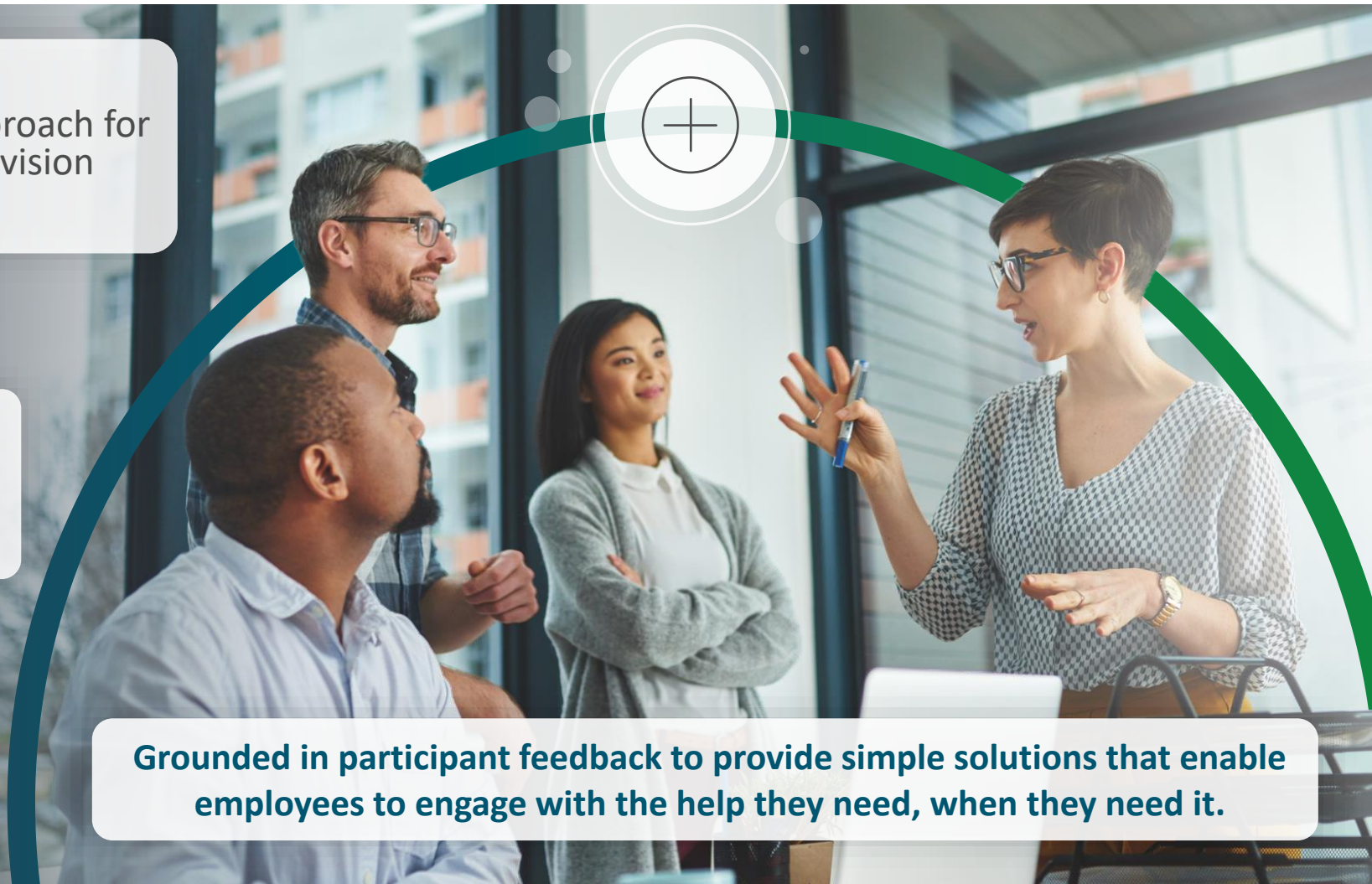
* Separate timelines will apply to tax exempt plans.

Guiding our participant strategy

Tailored approach for each provision

Balancing general education needs with a timely, **actionable** experience

Grounded in participant feedback to provide simple solutions that enable employees to engage with the help they need, when they need it.



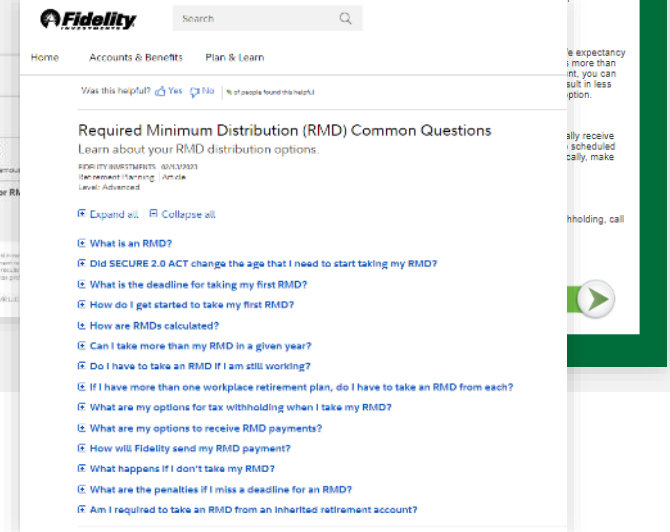
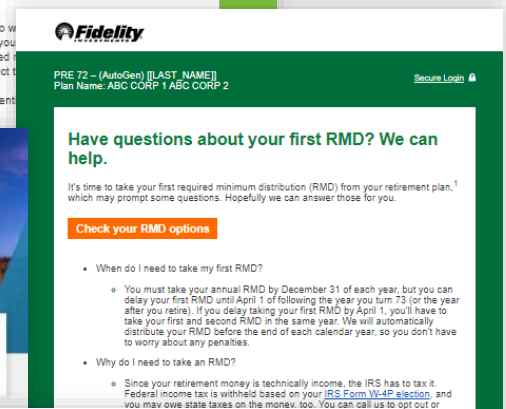
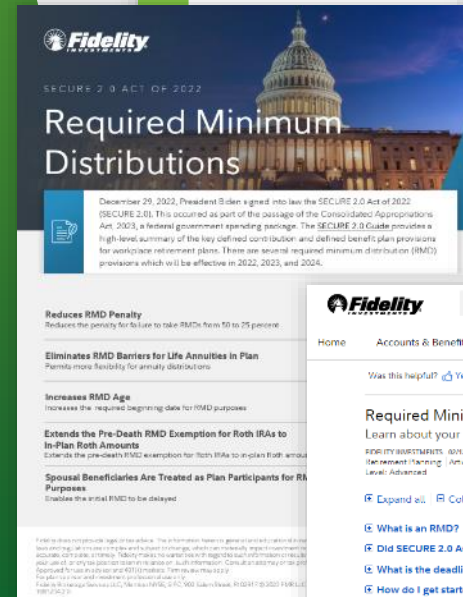
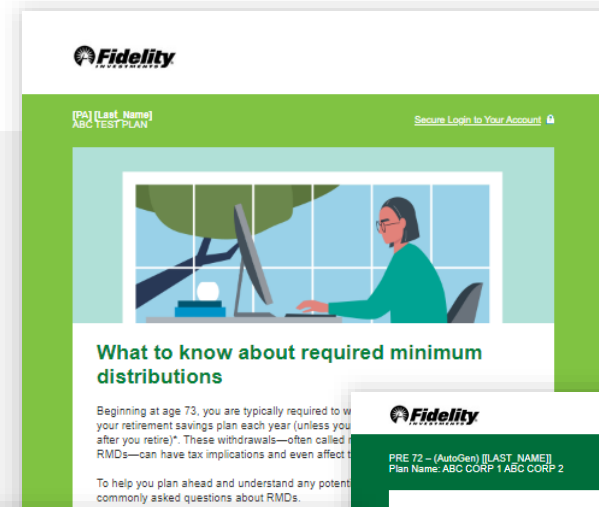
Increase to RMD Age

Mandatory Provision 107

Launched Q1 2023

Revised and refreshed relevant marketing campaigns to address age increase:

- ✓ Initial year RMD communication
- ✓ RMD age-based trigger
- ✓ NetBenefits content, including articles and virtual assistant content, FAQ
- ✓ RMD FAQs
- ✓ 4 Reasons to Consolidate
- ✓ 5 Important Rollover Questions
- ✓ Traditional or Roth IRA, or Both?
- ✓ What's ahead for your RMDs
- ✓ Explore options for your retirement savings: I'm retired or planning to retire



Adding a Roth source account

Mandatory Provision 603[^]

Launched Q4 2023

Under provision 603, participants aged 50+ with wages over \$145,000 in the previous year must make catch-up contributions on a Roth basis.

With the effective date being pushed to January 2026, plan sponsors can decide when a Roth option is added to their plans.

Dedicated Toolkit

- ✓ Continuing with best-in-class support model
- ✓ Updated emails with SECURE-specific variable language
- ✓ Infographics and digital signage available in English and Spanish
- ✓ Brainshark video: Roth vs. Traditional pre-tax contributions
- ✓ Updates to all existing Roth fact sheets, articles, enrollment guide language

Subject: A new retirement savings option [coming soon][now available] OR Pay taxes on your savings now or later? Learn about Roth options

Preview:

[First Name Last Name]
[Client/Plan Name]

Fidelity

A new way to help [grow/build] your retirement savings

We are pleased to announce that on [Date], [we're adding] [we added] a Roth contribution option to your existing [Plan Name] ([Short Plan Name]).

With the [addition of this new] Roth feature, [you will have another way to save for your retirement—with] [you will have more flexibility when saving for your retirement—including the potential of tax-free growth and withdrawals (provided certain requirements are met)].

[Adding a Roth feature gives you another way to save for the future, and prepares your plan for upcoming changes from the SECURE 2.0 Act].

Who might benefit from Roth contributions?

- If younger employees who have a longer retirement horizon and more time to accumulate tax-free earnings)
- If highly compensated individuals who aren't eligible for Roth IRAs but who want a pool of tax-free money to draw from in retirement)
- If employees who want to leave tax-free money to their heirs)

USE THIS SECTION WHEN USING THE CTA BUTTON (provided in learning more):
Access education and resources—from a brief video to a modeling tool—all at your fingertips on Fidelity NetBenefits!

[Learn more](#)

USE THIS SECTION INSTEAD OF BU option]

- [Review the #AGEFACT SHEET](#)
- [Watch a BRAINSHARK VIDEO](#)
- [Monitor the impact of Roth contributions](#)

Interested in finding out whether Roth Call [coming soon]? We'll work with you retirement savings strategy that's right f

Fidelity

Roth Contributions FAQs
Learn more about Roth contributions and withdrawal information.
Have Your Benefits Work Article

Expand all Collapse all

How does a Roth contribution option work?

You select a percentage (or dollar amount) of your salary that you wish to designate as Roth contributions, just like you would for your traditional pre-tax contribution. For example, if your total annual eligible compensation is \$40,000 per year and you elect to designate 5% of your salary as a Roth contribution, then \$2,000 per year would go into your Roth account.

Remember, unlike your traditional pre-tax contribution, your designated Roth contribution will be included in your current gross income for tax purposes. Your take-home pay may be less than it would be if you made a traditional pre-tax contribution.

With a Roth contribution, you pay the taxes now on the contributions you elect to defer but, upon withdrawal, Roth contributions and associated earnings are tax-free, if you meet certain criteria.

For example, Sally's income is \$40,000 per year and she has elected to designate 6% of her salary to Roth contributions and 6% of her salary to traditional pre-tax contributions on a monthly basis.

	Roth	Traditional pre-tax
Sally's monthly contribution into each account	\$200	\$200
Sally's reduction in take-home pay	\$200	\$150

*This hypothetical example is based solely on an assumed federal income tax rate of 25%. No other payroll deductions are taken into account. Your own results will be based on your individual tax situation.

How much can I contribute to the Roth?

Roth contributions are subject to the existing 402(g) limits. If you are under age 50, the IRS contribution limit for Roth and traditional pre-tax contributions combined is \$22,500 for 2023.

If you are over age 50 and make catch-up contributions, the IRS contribution limit for Roth and traditional pre-tax contributions combined is \$30,000 for 2023. Please note, the amount of Roth and traditional pre-tax contributions you may contribute to your plan could also be subject to specific Plan Limits. Contact your plan's toll-free number for more information.

Would a Roth contribution option benefit me?

Roth—una nueva manera de ayudar a que tus ahorros para la jubilación crezcan

Las contribuciones Roth en tu plan de ahorro en el lugar de trabajo pueden ser una gran manera de ahorrar para la jubilación.* Y con los límites de contribución antes de impuestos y contribuciones de Roth para los planes 401(k) y 403(b) que aumentan hasta \$22,500 en 2023, hay aún más oportunidades para que tus ganancias potenciales crezcan libres de impuestos.

Ve si una contribución Roth es ideal para ti

O escanea para obtener más información.

Investir implica riesgos, incluido el riesgo de pérdida.
*Una distribución de una cuenta Roth 401(k) está libre de impuestos, y multa, siempre que se haya cumplido el requisito de antigüedad de cinco años y se cumpla una de las siguientes condiciones: 50 años y medio, discapacitado o muerte.
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Fidelity INVESTMENTS

Long-Term Part-Time (LTPT)

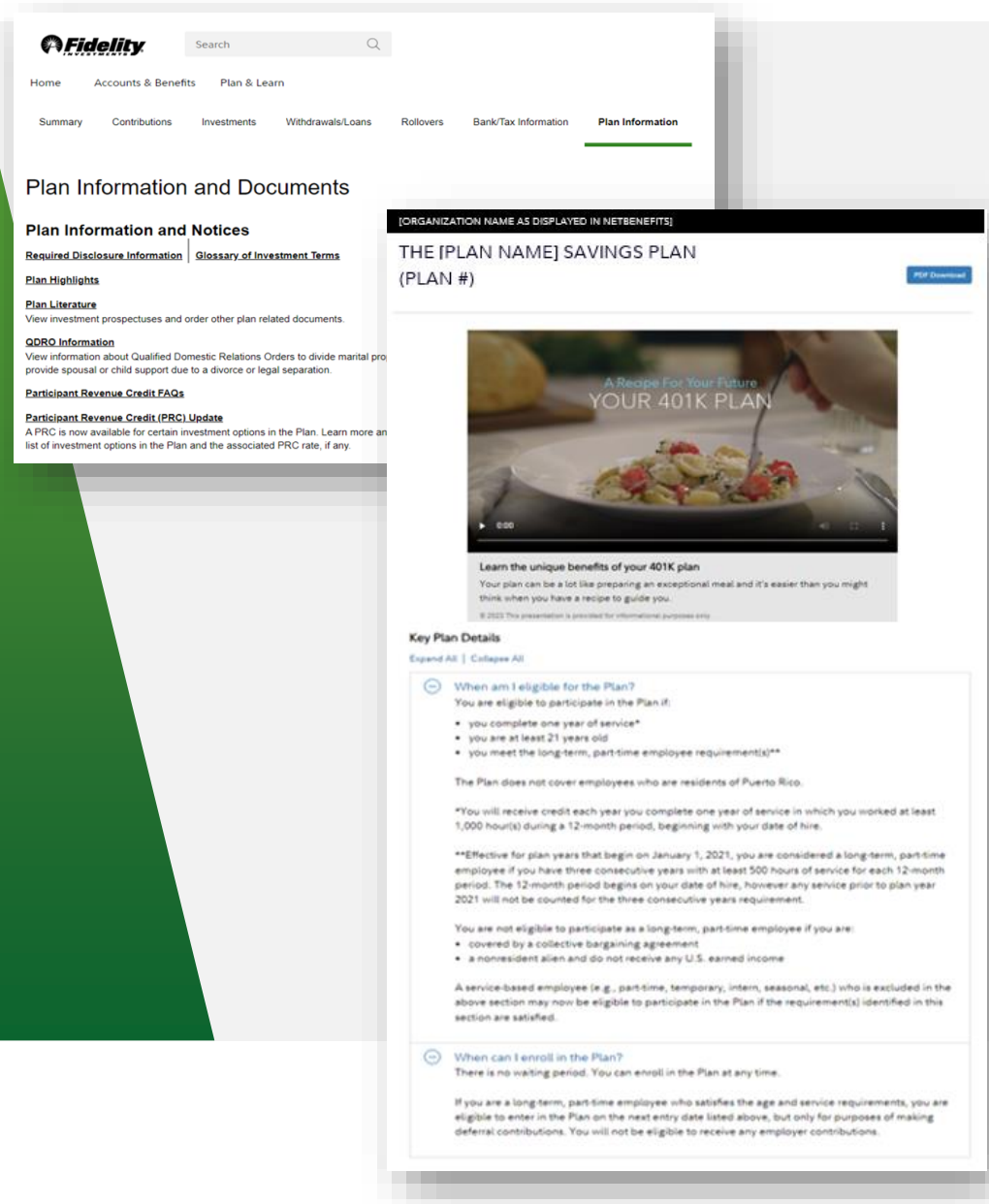
Mandatory Provision 125

Launched Q1 2024

Beginning January 1, 2024, eligible long-term part-time employees can enroll and contribute to their 401(k) plan

Updates to new eligibility rules will be reflected on plan information and highlights*

- ✓ Refreshed NetBenefits plan highlights page for Core plans
- ✓ Upper market plans will require plan sponsor direction*
- ✓ See the [LTPT Guide](#) for further details



In-Plan Emergency Savings Accounts

Optional Provision 127

Launched Q2 2023

Beginning in 2024, employers will have the option to offer their employees pension-linked emergency savings

Fidelity has decided to provide an out-of-plan solution, **Fidelity Goal BoosterSM***

- ✓ A **hybrid solution** outside of the retirement plan that is in collaboration with the plan sponsors
- ✓ Provides participants a vehicle to save for **short-term goals** without using employer-sponsored plan

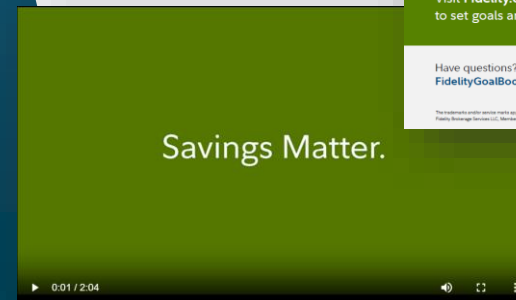
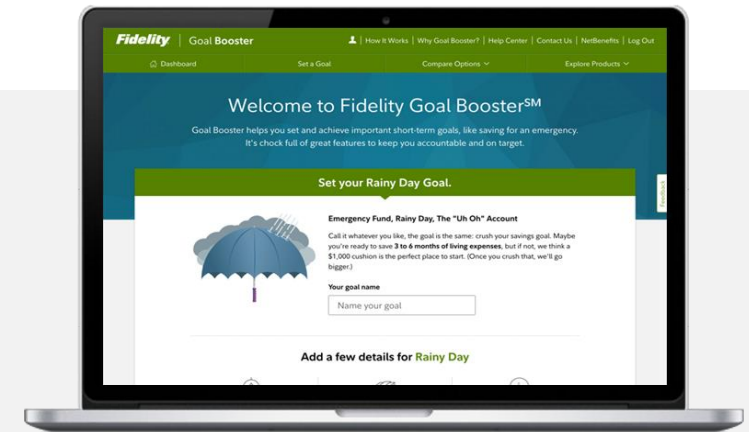
Dedicated toolkit

Focused on educating participants on Goal Booster through:

- ✓ Videos: Goal Booster Explainer, Emergency Savings, How You Money
- ✓ Digital and printable materials (banners, posters, etc.)
- ✓ Part of the existing emergency savings options
- ✓ Informational website promoting Goal Booster

Future State:

- ✓ Continued expansion of the Goal Booster Payroll functionality



Save for the now and the later. Retirement isn't the only dream worth saving for. Give those short-term goals some love.

Visit Fidelity.com/GoalBooster to set goals and start saving.

Have questions? Email us! FidelityGoalBooster@fmr.com

Fidelity | Goal Booster

Student Loan Payments

Optional Provision 110

Launched Q3 2023

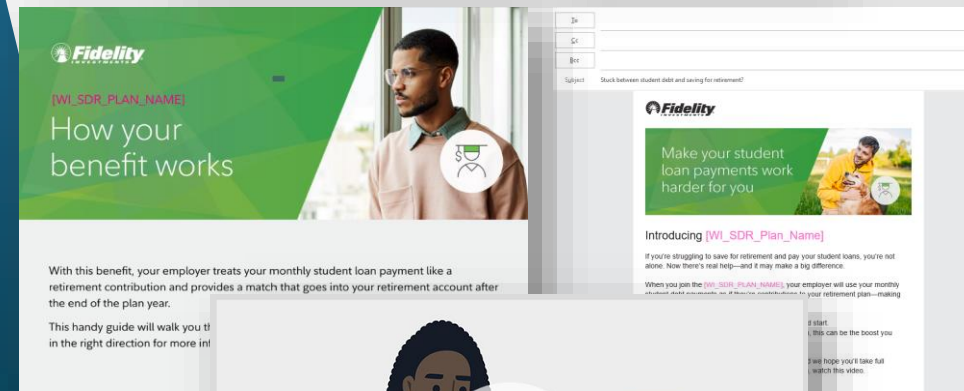
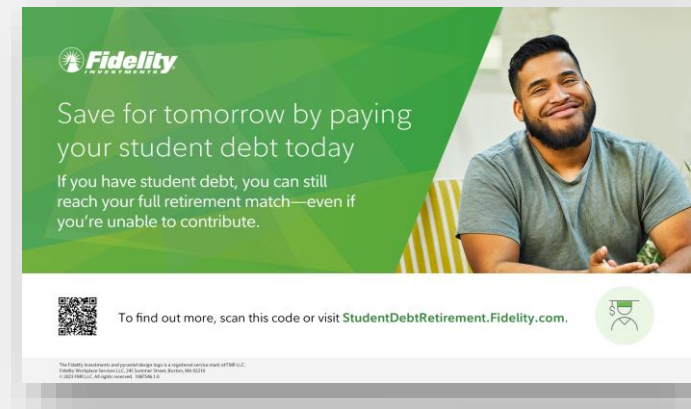
Beginning in 2024, employers can offer the Student Debt Retirement (SDR) benefit to their employees
Student Debt payments resumed in October 2023

Dedicated Toolkit

A suite of materials to help launch, promote, and leverage the Student Debt Retirement benefit

- ✓ Videos: [Benefit overview](#)
- ✓ Customizable emails
- ✓ Digital signage, flyers, etc.

Other Student Debt resources are available



 In coming months, 40+ clients are slated for Student Debt Retirement onboarding – that’s over 800,000 eligible participants.

Auto Portability (AP) Optional provision 120

Launched Q3 2023

Portability Services Network (PSN)[†] and Auto Portability

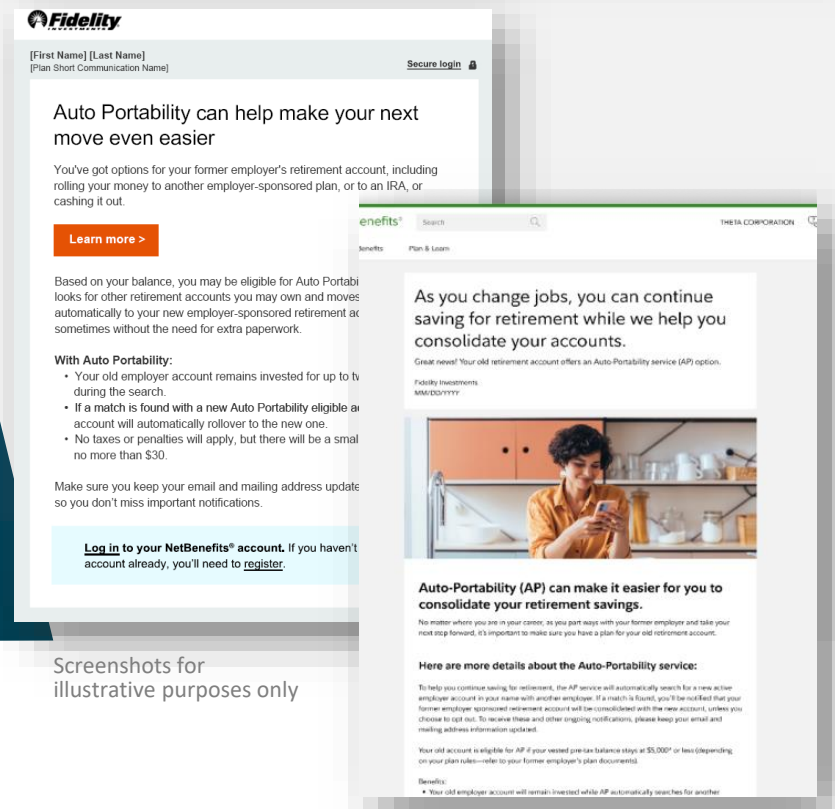
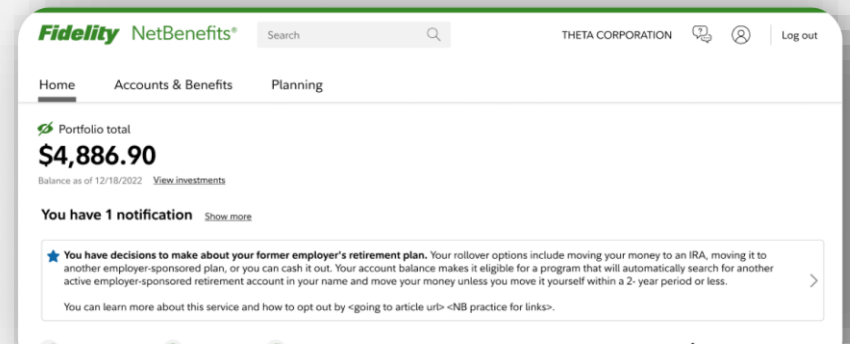
Industry-led opportunity to offer automatic rollovers of small balance retirement accounts from former to current employers – without tax consequences to employees. The process will be facilitated by the Portability Services Network (PSN).

Auto Portability helps America’s under-served and under-saved workers, especially people of color, women, and lower-income, and younger workers, improve their retirement outcomes.

Fidelity is educating eligible participants via:

- ✓ NetBenefits homepage alert
- ✓ Triggered regulatory communications upon termination
- ✓ NetBenefits educational article
- ✓ Additional resources planned throughout 2024

See the [Auto Portability Plan Sponsor Overview](#) for further details and adoption



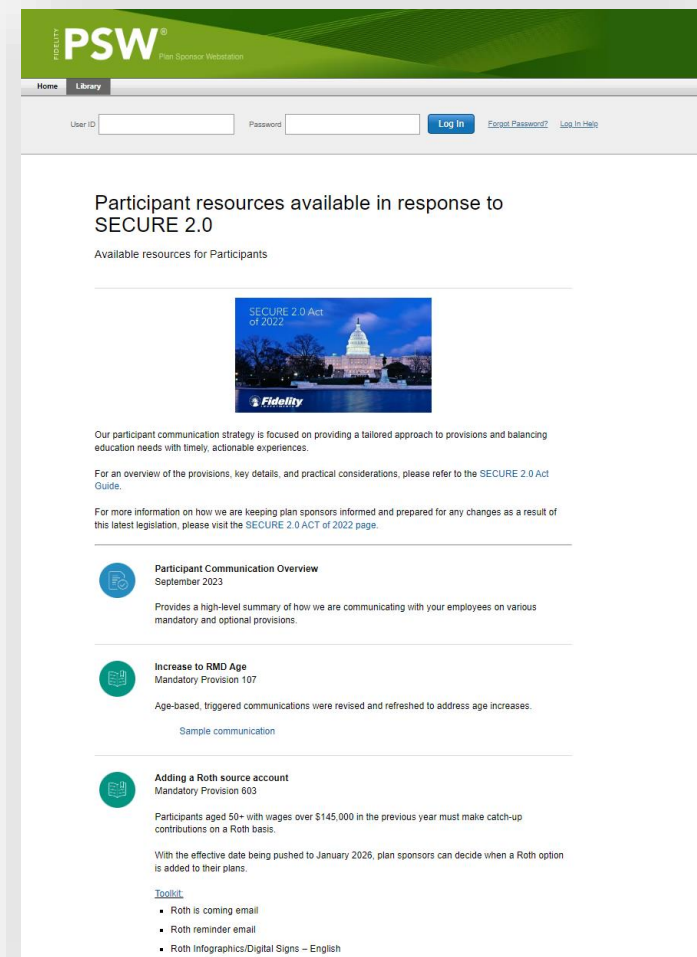
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Additional Resources

Launched Q4 2023

PSW Participant Communications

- ✓ Complements the [SECURE 2.0 Employer Communications page](#)
- ✓ This PSW page features:
 - ✓ Links to the [Employer Communications page](#) and the [SECURE 2.0 Act Guide](#)
 - ✓ Links to Student Debt resources
 - ✓ Links to Emergency Savings resources
 - ✓ Provision-specific toolkits for
 - ✓ RMD provision
 - ✓ Roth provision



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