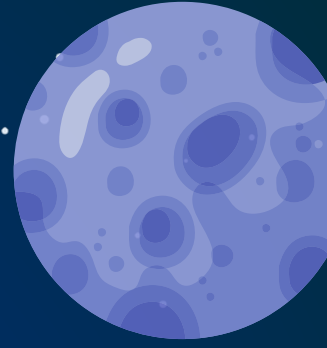


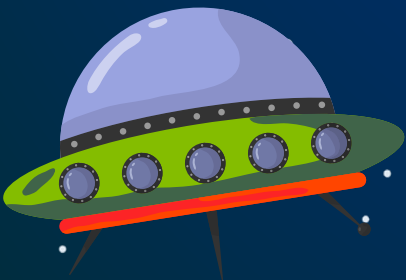


Dominion Payroll[®]
Empowering Your Business



2023

YEAR-END GUIDE





We know that as payroll and HR professionals, we are entering one of the most challenging and important times of the year, Year-End. The Year-End process is a pivotal moment in the payroll calendar, requiring precision and attention to detail to ensure a smooth transition into the upcoming year. These tasks are vital for maintaining compliance, processing year-end reports, and facilitating a seamless payroll experience for our employees.

We understand this can be a stressful and overwhelming process. Through the Launching into Year-End event and this guide, we hope to create a frictionless end to 2023.

*Find the event slides
& recording here!*



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CLIENT PROCESSING DEADLINES

STANDARD DEADLINES

Payrolls need to be submitted **at least 2 banking days** in advance of the check date to allow sufficient time for payroll funding and employee direct deposits to be received and posted by the check date. Due to strict banking rules, we will not make exceptions to the two-day rule. If you need to process one day before, you will be required to wire funds.

Some payrolls with \$100,000 or more in federal tax liability or total ACH debit of pre-determined system limit or more will also require a wire.



IMPORTANT

Payrolls processed in 2023 that have a pay date of 2024 will show up as wages on the 2024 W-2! These wages will not be part of your 2023 Year to Date totals.

After December 1, 2023 we cannot guarantee completion of any newly requested projects. Examples of projects: New Accrual Plans for 2024, New Policy Groups, New Performance Reviews, GL Accounting System Remaps, etc.

Please be aware that we will begin our “blackout” period January 5th through January 31st.

We will not be processing any adjustments during this time to ensure timely reporting (printing and e-file process) for all our customers.



YEAR-END DEADLINES

Any 2023 payrolls and adjustments must be complete before any 2024 payrolls can be processed. A few important points to remember:

- **Bonuses and Extra Payrolls.** If you are paying bonuses or have any extra payrolls that need to be included in your 2023 W-2s you must notify your Customer Support Team before processing your last regular payroll of the year (wiring of funds may be required).
- **Payroll Adjustments.** Make sure payroll adjustments (e.g., voided checks) are done before your last payroll of 2023 is processed. Voiding checks/processing adjustments after a check date of 2024 has been processed requires us to 'Re-Open' the year (see page 10 for applicable fee).
- **Year-End Adjustment Cut-off Date:** For adjustments processed after December 31, 2023, please remember that tax agencies may consider tax payments late and you, the customer, will be responsible for penalties and interest that any agency may assess. Payroll adjustments must be processed by **4:00 pm ET on January 5, 2024**. Any adjustments made after January 5, 2024, will result in a W-2C for employees as well as amendments (*fees will apply*). We encourage you to process adjustments well in advance of January 4, 2024.
- **Fringe Benefit Adjustments:** Identify and schedule special payroll adjustments such as group term life, auto allowances and other fringe benefits. Many of these fringe benefits require tax withholdings and they need to be entered with 'live wages' and processed at the same time as a regular payroll run before the end of the year.
- **Third Party Sick Pay:** Determine if you have Third Party Sick Pay information that must be reported for 2023. This will need to be completed before you run a payroll with a check date of 2024. Please be aware we will print all W-2s after **January 5th** – even if the information is not received. **Please be aware that notifying us of late third-party sick (being received after January 5th) will NOT eliminate the applicable fees for processing late adjustments.** Please contact your provider and request the information in advance of our Year- End Adjustments cut-off.

Reminder: Process year-end adjustments early. Do not wait until January!

TAKE NOTE

The Consolidated Appropriations Act of 2016 includes a provision requiring the accelerated W-2 and 1099 filing due date. Due to the increased incidents of tax fraud and Identity theft, the IRS has moved forward with a provision to require employers to report W-2 and 1099 data to the Social Security Administration and IRS by **January 31st**.

It's essential for businesses to be prepared as soon as possible in the months leading up to the due date. This means organizations will have to participate in advanced planning to ensure all documentation is submitted accurately and on time. We encourage human resources and payroll teams to begin planning now and submit changes and year-end adjustments early.

Please pay close attention to timelines and important *cut-off dates* in our Year-End Guide.



YEAR-END CHECKLIST

- Review processing deadlines and identify your last payroll check date of 2023. (PG 8)

- Review 'Dates to Remember for Year-End.' (PG 7)

- Review payroll run schedule for 2024 and contact your support team for any changes.

- Perform an audit of employee data related to SSN, name and mailing address. Make any necessary updates in isolved before your last payroll run of 2023.

- Third Party Sick Pay information should be processed by **January 2, 2024**. Fees will apply for amendments/adjustments after the deadline.

- Identify and process any end of year payroll, such as Bonus and Fringe Benefits, with a pay date in December 2023 that has 'live wages' if you want them to apply to 2023.

- Enter any additional manual checks and/or voided checks that need to be recorded in 2023, prior to your last payroll process date of 2023. If entering manual checks/voids, contact your support team to make sure it is recorded in 2023. **This CANNOT be done after January 5, 2024.**

- Review and approve your ACA forms by **February 2, 2024**, for the March 1, 2024 distribution - *if applicable.* (PG 12)

- Call your Customer Support team with any questions regarding your year-end processing well in advance of December 2023 in order to address and resolve outstanding issues.



2023/24 YEAR-END IMPORTANT DATES

Thursday, November 23 Thanksgiving – Federal Reserve & Dominion Payroll Holiday
(Offices Closed)

Monday, December 25 Christmas Day – Federal Reserve & Dominion Payroll Holiday
(Offices Closed)

Wednesday, December 27 Last Day for Regular 2 Day Processing

Monday, January 1 First Day to Approve ACA Forms for 2023

Monday, January 1 New Year's Day – Federal Reserve & Dominion Holiday (Offices Closed)

Monday, January 8 Electronic W2s are available via ESS

Wednesday, January 17 2023 Q4 reports will be available

Friday, February 2 Last day to approve ACA Forms with guaranteed delivery and filing to meet the Federal & select states deadline.



YEAR-END MAINTENANCE DETAILS

AUDIT TOOLS

Employee W-2 information must be correct as the IRS may charge a penalty for filing W-2 forms with incorrect information. We strongly encourage you to start auditing your employee records now – before the busy holiday season!

- Please verify SSN, name, and address for each employee (the name must be exactly as it appears on the employee's Social Security card).

- For your convenience, please use the following report for verification purposes:

[Reports > Client Reports > Employee W-2 Verification > Run Report.](#)

- Any updates to name, Social Security Numbers or addresses should be made immediately. Access your employee records and make corrections in isolved as follows:

[Employee Management > Employee Maintenance > General.](#)

W-4

Send a reminder to your employees regarding submitting a new W-4 for 2024. Employees who are currently claiming exempt from withholding must submit a new form W-4 by **February 15, 2024** to maintain that status. Employers are required to begin withholding federal tax for those employees who fail to provide a new W-4 by that date. Also, any employees who have experienced a life event may need to submit a new W-4 due to the change in number of allowances.

EMPLOYER PORTION OF HEALTH CARE

The Affordable Care Act provides that employers must report the cost of employer-provided health care coverage on Forms W-2.

- Reporting is mandatory for employers that file 250 or more Forms W-2.
- The amount reported should include both the portion paid by the employer and the portion paid by the employee.
- Please contact Customer Support to discuss the entry of the employer portion of the health insurance premium.

It is your responsibility to preview your W-2s and verify the amounts in Box 12 DD prior to printing W-2s.

Review W-2s prior to **December 1st** and contact your CSR for changes that you need made. Additional fees will be charged if you fail to report changes that result in reprinting of W-2s.



YEAR-END MAINTENANCE DETAILS continued...

FUTA CREDIT REDUCTION

Some states take Federal Unemployment loans if they lack the funds to pay unemployment benefits for state residents. If a state has outstanding loans with the federal government, the FUTA credit rate for employers in that state will be reduced until the loan is repaid.

The result of being an employer in a credit reduction state is a higher tax due on the Form 940. This higher tax is considered incurred in the 4th quarter. Therefore, your company will owe additional federal unemployment taxes that will need to be impounded. Future communication will include details regarding the FUTA credit reduction calculations.

TAX RATE CHANGE NOTIFICATIONS

IRS and State Notifications for 2024

Unemployment rates and tax filing frequencies are mailed to the taxpayer, not to Dominion Payroll - it is imperative these tax-related communications are forwarded to Dominion Payroll immediately. We require this information in order to ensure your taxes are paid accurately and timely in 2024.

Please note: Late tax payments result in interest and penalty charges. If your federal or state tax filing frequency is changed and you don't notify us, we will not be responsible for any penalties or interest that may be charged.

W-2s/1099s

W2

With the understanding that all Year-End processing deadlines have been met and you have reported all necessary information, W-2s will be processed and delivered by **January 31, 2024**. We will be printing and shipping all W-2 forms to your year-end delivery address.

1099-NEC

You are responsible to report all 1099-NEC wages before processing your final payroll of 2023, amendment fees will apply. We will file 1099s with the Federal Government if the Legal Service has been turned on before **December 30, 2023**.

In accordance with the IRS, we will only be producing 1099-NEC for anyone with \$600 or more in non-employee compensation.



W-2s/1099s

W-2 Forms and 1099 forms will be available for viewing and printing online effective **January 8, 2024**.

Service	Fees
W-2 processing base charge	Per Contract
W-2 per charge	Per Contract
W-2 shipping fees	Per Contract
Re-open previous year payroll (adjustments)	\$300.00
Re-open previous year payroll after a 2024 payroll has been processed	\$500.00
Reprint W-2	\$25.00 each
W-2 correction – change to data: name, address, SSN	\$25.00 each
W-2-c – correction made after January 5 - change made to data: name, address, SSN	\$50.00
W-2-c – correction made after January 5 - change to figures	\$150.00
Amended Quarterly or Annual Return per form	\$100.00 each
1099 processing base charge	Per Contract
1099 processing base charge	Per Contract
1099 shipping fees	Per Contract



ADDITIONAL RESOURCES

Dominion Payroll State Tax
Forms

[dominionpayroll.com/forms](https://www.dominionpayroll.com/forms)

Internal Revenue Service

www.irs.gov

Social Security Administration

www.ssa.gov

Bureau of Labor and Statistics

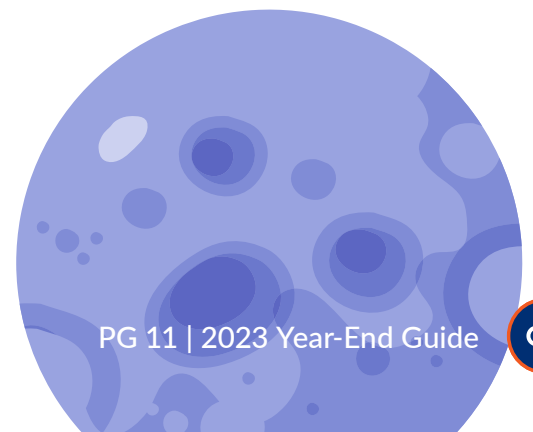
www.bls.gov

State Agencies

www.irs.gov/businesses/small-businesses-self-employed/state-government-websites

American Payroll Association -
PayrollOrg

www.payroll.org



ACA REPORTING FOR 2023

Employers are subject to the Affordable Care Act filing if you meet either of the following criteria:

- If you averaged at least 50 full-time employees (including full-time equivalent employees) during the prior calendar year, you are considered an Applicable Large Employer (ALE). The IRS has defined a specific formula for this and there is a report available in the system to assist in this calculation.
- If you offer self-funded medical insurance, regardless of the size of your company. If you are unsure if this applies to you, please check with your broker or insurance provider.

Under the Affordable Care Act's employer shared responsibility provisions, applicable large employers (ALEs) must either offer minimum essential coverage that is "affordable" and that provides "minimum value" to their full-time employees (and their dependents), or potentially make an employer shared responsibility payment to the IRS.

ACA Year-End Preparation

By now you should confirm that your ACA reporting year is set up in isolved for 2023. Employers should already be compiling and analyzing data now to determine offers of coverage and affordability. We recommend you review our ACA articles available in the isolved University. We will also provide a Year-End ACA Reporting Guide to the Quick Links section in isolved. This guide will help you familiarize yourself with the necessary steps you will need to take to ensure a smooth ACA reporting process.

For assistance with ACA Year-End Preparation: <https://learning.myisolved.com/>

Navigate to Library > Articles, type 'ACA' in the search bar.

ACA Year-End Requirements

Employers are responsible for two important components of ACA Year-End requirements: Furnishing and Filing. You will need to furnish individual 1095 forms by **March 1, 2024**, to all full-time employees during 2023. These forms will contain information about when/if coverage was offered, whether the offered coverage was affordable (based on the IRS guidelines), and if self-funded, which employees and dependents were covered throughout the year. Depending on their state requirements, employees may need this form to provide proof of coverage for tax year 2023.

Dominion Payroll will electronically file your 1094 & 1095 forms to the IRS only after your ACA Forms have been approved in the system.

It is the employer's responsibility to carefully review, make any necessary corrections, override portions of the forms that cannot be automated, and approve your ACA forms by the February 2nd deadline. Should you have any questions, please reach out to your customer support team for assistance.

Your ACA filing requirement will not be complete until you receive confirmation that your ACA files were successfully transmitted to the IRS, and either Accepted or Accepted with Errors.



ACA-RELATED FEES

Service	Fees
1095 processing base charge	Per Contract
1095 per charge	Per Contract
1095 shipping fees	Per Contract
Duplicate 1095	\$10.00 each
1095 correction performed by customer- change to data: name, address, SSN	\$25.00 each
1095 correction performed by customer- change to figures	\$75.00 each
Rejected File Correction & Submission	\$75.00
Accepted with Errors File Correction & Submission	\$75.00

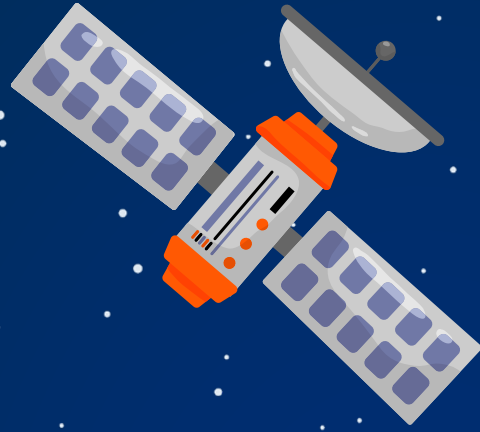
Billing for ACA charges will occur after you approve your forms in **January 2024**.

ADDITIONAL RESOURCES

IRS Q&A

www.irs.gov/Affordable-Care-Act/





LET'S MAKE

2024

THE BEST YEAR

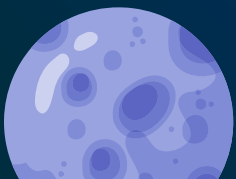




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LEARNING AND DEVELOPMENT

TRAINING OPPORTUNITIES

On-Demand Training

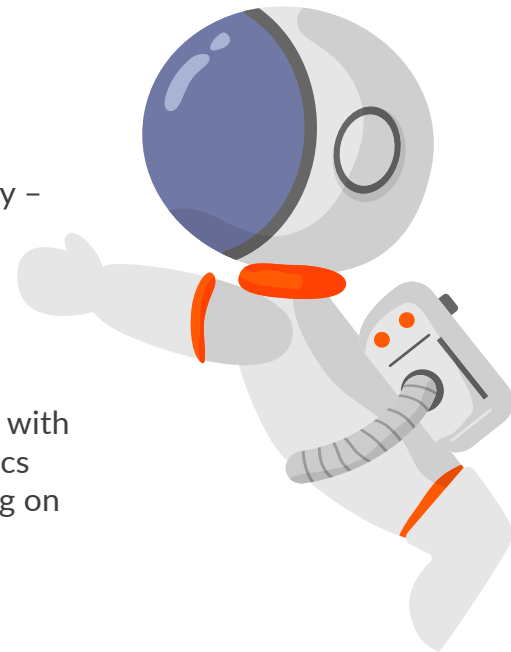
Previously recorded small group trainings that you can watch on your own time. Explore a wide range of subjects, from everyday topics like Payroll Processing to specialized offerings such as Share & Perform – gain access to an extensive library of previously taught educational sessions

Small Group Training

Live webinars on pre-determined topics with a trained specialist and accompany notes. Our webinars occur weekly 11AM – 12PM ET Monday – Thursday and are free to all clients who register and attend.

Custom Training

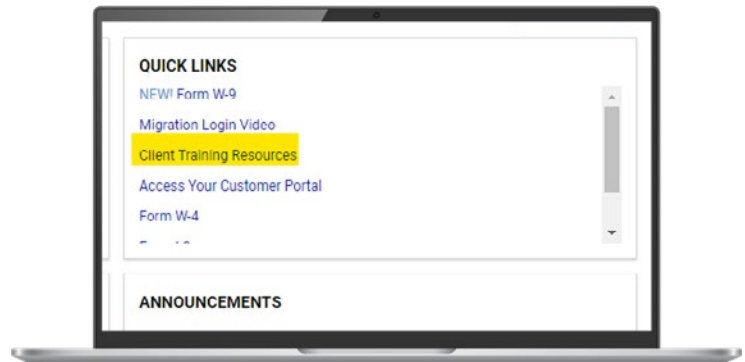
Live walkthroughs on client-picked topics for company-specific trainings with one of our specialist and accompany notes. Personalized training on topics of your choosing and can range from \$100 – \$200 per session depending on the quantity of requested topics.



READY TO BECOME AN EXPERT?

SIGN IN TODAY TO GET STARTED

Visit dominionpayroll.net to log into your account. Then visit **Quick Links > Client Training Resources** to get started.



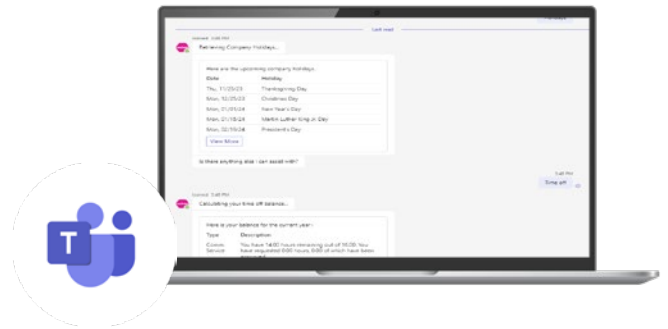
PRODUCT SOLUTIONS

We are Seeking Out New Products and New Solutions

CONVERSATIONAL VIRTUAL ASSISTANT

Use Teams to allow your employees to pull data, such as:

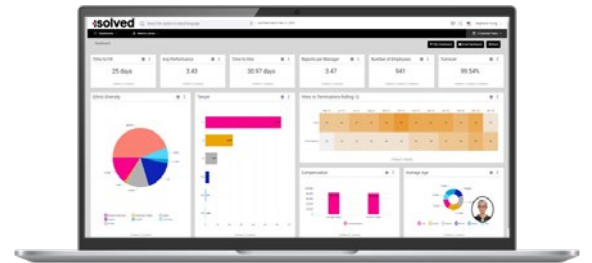
- Company Holidays
- Time Off Balances
- Pay Stubs
- Tax Filing Info



PREDICTIVE PEOPLE ANALYTICS

Gain valuable insights about your business through statistical information, such as:

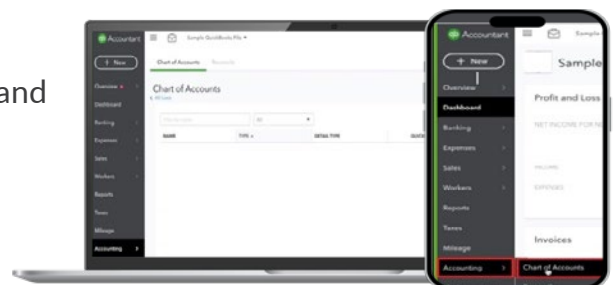
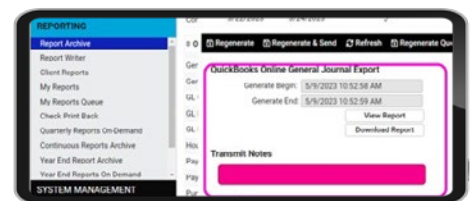
- Average Tenure per Job Title
- Length of Time to Fulfill a Role
- Predict Employee Retention through Salary models



QUICKBOOKS ONLINE AND OTHER INTEGRATIONS

Integrations with vendors can be an enormous time saver for HR and Payroll departments. Dominion Payroll is continuing to invest in connections with many top applications and systems. Some of the many APIs & Integrations that currently work with isolved:

- Employee Navigator
- OnShift
- Efficient Forms
- Zayzoon
- PayKonnnect
- TapCheck
- Attendance On Demand
- Newton
- Noah Face
- QuickBooks Online



HUMAN RESOURCE SERVICES

BOOST HR

Looking for some more support for your HR Team? DP is here to help! Boost HR is our solution for businesses who want to take control of their human resources and relieve some of the administrative burdens. This service includes:

- An extensive HR Assessment
- Tailored project plans and recommended areas of improvement
- An ongoing dedicated HR Advisor
- Let us handle the regulations, handbooks, and processes and allow you to focus on new talent, strategy, and growth

MINERAL

Your HR Self-Service Support Platform

Do you and your HR team need some self-service support? The Mineral Platform is a valuable self-service HR resource! There are two levels of access you can take advantage of.

Mineral Basic

Previously "HR Support Center"

- Proactive compliance and HR regulation alerts
- Employee handbook builder
- House employee trainings
- Comprehensive compliance library
- Benefit document creator

Mineral Essentials

Previously "HR On-Demand"

- All features of Mineral Basic
- Access to HR Experts to answer specific HR and compliance questions
- Core Course catalog covering workforce improvement topics such as compliance, cybersecurity, HR, customer service and more!

Get HR support today!

Visit dominionpayroll.net to log into your account. Then view **My Account Reps** to get in touch your dedicated account team.

MY ACCOUNT REPS



My Support
Customer Support
Dominion Payroll
804.355.3430
customerservice@dominionpayroll.com



My Sales Rep
Jack Weisbrod
HCM Sales Consultant
804.355.3430
customerservice@dominionpayroll.com



2024 ROADMAP

The world of work is forever changing. With that in mind, we know that innovation is imperative to a successful workforce management system. We are excited to share the latest innovations being released by our technology partner, isolved, in 2024.

Upgrade your Landing Gear...with AI!

isolved is looking for innovative ideas to integrate the latest in AI technology to enhance the employee experience from AI Powered Recruiting, Benefit Enrollment Assistance, Perfect Payrolls, and beyond.

Did Someone Say “App”?!

isolved is releasing a new, true, App to mimic the employee adaptive experience.

You are looking great today!

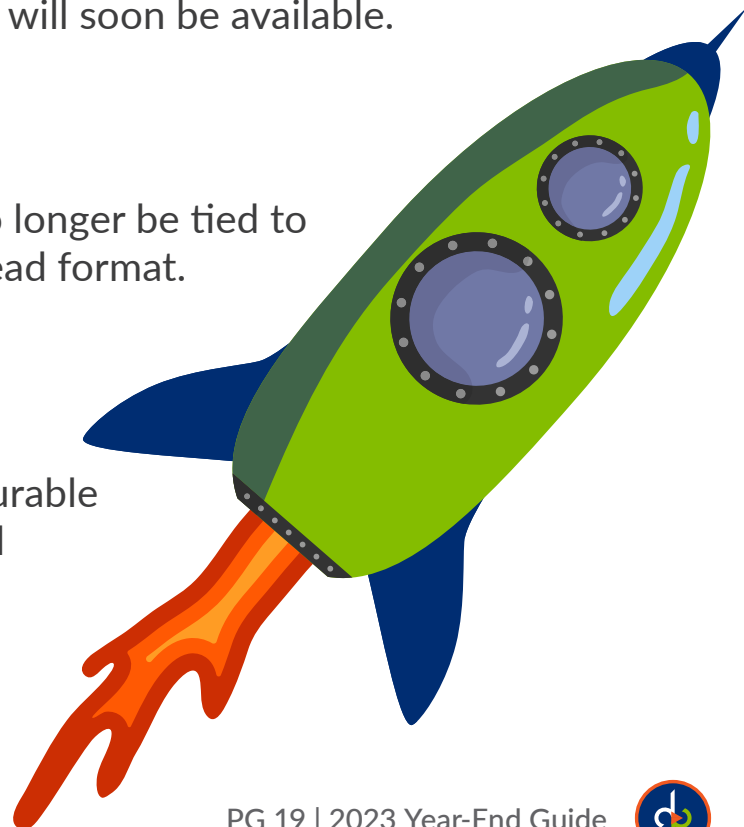
A brand new Facial Recognition Time Clock will soon be available.

Awarding Time Just Got Easier

Advanced Accruals will allow Prorations, no longer be tied to payroll processing, and allow an easier to read format.

Chart Your Course

Advanced Scheduling allows a more configurable scheduler, enhanced coverage requests and extend scheduling functionality.





EMPOWER YOUR BUSINESS WITH RELIABLE PAYMENTS

Merchant Services Simplified

Merchant services are the essential framework that underpins smooth and secure financial transactions for your business. They encompass the tools and solutions that make it possible for you to effortlessly process payments, whether through credit cards, digital methods, or traditional transactions.

Who We Are - Reliable Payments

At Reliable Payments, we're your trusted partner for payment processing. We specialize in helping businesses of all sizes thrive by offering solutions that simplify payment acceptance, boost revenue, and provide peace of mind.

Why Choose Reliable?

- Optimize revenue with tailored payment solutions.
- Streamline fees through Dual Pricing, Compliant Surcharging, and more.
- Ensure transaction security with cutting-edge technology.
- Receive local customer support and expert assistance.
- Optimize costs with Level II and Level III processing for B2B transactions.
- Simplify invoicing with Biller Genie and QuickBooks integration.
- Partnership with Dominion Payroll

Join Us in Streamlining Success

Ready to take control of your payment processing?

Discover how we simplify payments and elevate your profits

Darcie Chin

Merchant Sales Consultant | Dominion Payroll
dchin@dominionpayroll.com | 804.207.8443

Loyal T. Grimes

Executive VP of Sales | Reliable Payments
lgrimes@reliablepayments.com | 804.302.6776 ext.130



DP ACCOUNT TUNE UP

A full “Account Review” with your HCM Consultant which will cover:

- What are your overall business priorities?
- What are your Key Challenges?
- What technology are you using to address these challenges?
- Walk us through the “Employee Life Cycle”

HCM Consultant will share the agenda prior to your meeting.

OUR SHARED GOAL

- To maximize the current functions and processes you currently have.
- To make you aware of other products and services you are not using.

WHAT DO YOU NEED TO BRING?

- Questions!!
 - How can we simplify this process?
 - What services are included in our current setup that we are not using?
 - What is on the roadmap?

Schedule Your Tune Up

Visit dominionpayroll.net to log into your account. Then view **My Account Reps** to get in touch your dedicated account team.

MY ACCOUNT REPS



My Support
Customer Support
Dominion Payroll
804.355.3430
customerservice@dominionpayroll.com



My Sales Rep
Jack Weisbrod
HCM Sales Consultant
804.355.3430
customerservice@dominionpayroll.com



SECURE 2.0 Act of 2022

Effective date	Provision	Description	Optional?	Plan amendment?	Plan types impacted
2020					
Effective retroactively for taxable years beginning after December 31, 2019	Section 111: Application of credit for small employers pension plan startup costs to employers which join an existing plan	<ul style="list-style-type: none"> Employers with generally up to 100 employees are eligible for an annual tax credit for three years equal to 50% of certain costs paid or incurred in connection with starting a retirement plan, up to an annual cap. Section 111 clarifies that employers joining Multiple Employer Plans (MEPs), which includes Pooled Employer Plans, are eligible for the credit for all 3 years, regardless of how long the MEP has been in existence. 	Yes	Yes	401(k), 403(b)
2021					
Disasters occurring on or after January 26, 2021	Section 331: Special rules for use of retirement funds in connection with qualified federally declared disasters	<ul style="list-style-type: none"> Provides for up to \$22,000 to be distributed from plan or IRA to individuals affected by a federally declared disaster. Unlike prior disaster relief, it is unclear whether the provision's \$22,000 limit on qualified disaster recovery distribution is a lifetime limit or for all disasters or a per disaster limit. If participant domiciled in federally declared disaster area and sustained an economic loss, distribution must be taken during a period beginning on the latest of: December 29, 2023; first date of the period specified by FEMA as the period that the disaster occurred; or the date of disaster declaration. The distribution must be taken no later than a date that is before 180 days after the date above (distribution must occur no later than 179 days following the beginning date). Not subject to 10% excise tax; distributions may be recognized ratably in income over a 3-year period. May be repaid to a plan or an IRA that will accept the repayment within 3 years. Loans to affected individuals are also increased to \$100K/100% of vested account balance; repayment may be delayed for up to 1 year. 	Yes	Yes	401(a) DC, 401(k), 403(b), 457(b)
2022					
Effective for contracts purchased or received in an exchange on the date of enactment of SECURE 2.0 (December 29, 2022). Issues a mandate for Treasury to update relevant regulations within 18 months of the date on which SECURE 2.0 was enacted.	Section 202: Qualifying longevity annuity contracts	<ul style="list-style-type: none"> Allows retirees to use up to \$200,000 (inflation adjusted) from their account balance in a DC plan or an IRA to purchase a qualified longevity annuity contract (QLAC). In addition, retirees can purchase QLACs with spousal survivor rights. The Act also clarifies that a free look is permitted up to 90 days for contracts purchased or received in exchange on or after July 14, 2014. 	Yes	Yes	401(a) DC, 401(k), 403(b), Governmental 457(b), IRA
Effective on the date on which SECURE 2.0 was enacted. (December 29, 2022)	Section 301: Recovery of overpayments	<ul style="list-style-type: none"> Amends ERISA to provide a plan fiduciary discretion to not seek recovery of an inadvertent overpayment. Sets certain standards that a plan fiduciary must comply with if they do decide to seek recovery of an inadvertent overpayment. Prohibits recovery if the first overpayment began more than 3 years before the participant or beneficiary is notified, unless there is fraud or misrepresentation. Allows a participant or beneficiary to contest the recoupment under the plan's benefit claims procedures. Amends the IRC to allow an inadvertent overpayment to be treated as an eligible rollover distribution if it would have otherwise been an eligible rollover distribution but for it being an overpayment. Provides guidance for plan fiduciaries regarding actions taken for overpayments prior to the effective date of the Act. 	No	No	401(a) DC subject to ERISA, 401(k) subject to ERISA, 403(a) subject to ERISA, 403(b) subject to ERISA, DB plans subject to ERISA
Effective on the date on which SECURE 2.0 was enacted. (December 29, 2022) Any guidance or revision of guidance shall be promulgated no later than 2 years after the date on which SECURE 2.0 was enacted.	Section 305: Expansion of Employee Plans Compliance Resolution System	<p>Expands the Employee Plans Compliance Resolution System ("EPCRS") to:</p> <ol style="list-style-type: none"> Allow more types of errors to be corrected internally through self-correction; and Apply to inadvertent IRA errors. 	No (that is, ERISA plans must utilize EPCRS to the extent required for the plan's compliance)	N/A	401(a) DC, 401(k), 403(a), 403(b), SEP IRA, SIMPLE IRA, DB, 457(b)* *In limited situations, the IRS, at its discretion, accepts voluntary requests for eligible plans of deferred compensation that comply with IRC 457(b).

Effective date	Provision	Description	Optional?	Plan amendment?	Plan types impacted
Immediately for QBADs made after enactment; for QBADs made before enactment, extended period of repayment (until January 1, 2026) applies	Section 311: Repay QBAD	<ul style="list-style-type: none"> Plans may allow participants to take distributions for a qualified birth or adoption (QBAD). A QBAD is taxable but not subject to the 10% early withdrawal penalty. Currently QBADs may be repaid to the plan at any time and are treated as rollovers. Under the Act, the time frame for repayment is changed to be within 3 years from the day after the distribution was made. This change was made because there is generally a 3-year time frame to amend an individual tax return. For QBADs taken before December 29, 2022, distribution must be repaid before January 1, 2026. 	QBAD distributions are optional, but this provision is mandatory for any plan that has adopted QBAD provisions	Likely yes	401(a) DC, 401(k), 403(b), Governmental 457(b), IRA
Effective for plan years beginning after the date on which SECURE 2.0 was enacted. (December 29, 2022)	Section 312: Employer may rely on employee certifying that deemed hardship distribution or unforeseeable emergency conditions are met	<ul style="list-style-type: none"> Employees are permitted to self-certify that they had an event that constitutes a hardship for purposes of taking a hardship withdrawal or an unforeseeable emergency in the case of a governmental 457(b) plan. There may be possible exceptions to this reliance, such as where plan fiduciaries have actual knowledge that is inconsistent with the certification. 	Yes	Yes, if addressed in the hardship standards under the plan document. Will also generally require updates to plan procedures.	401(k), 403(b), Governmental 457(b)
Effective for distributions made after the date SECURE 2.0 is enacted. (December 29, 2022)	Section 326: Exception to Penalty on Early Distributions from Qualified Plans for Individuals with Terminal Illnesses	<ul style="list-style-type: none"> Adds new Section 72(t)(2)(L) which provides that distributions made to employees after they have been certified to be terminally ill are exempt from the 10% early withdrawal penalty. Changes the applicable definition of "terminally ill individual" under IRC 101(g)(4)(A) to expected death in 84 months (increased from 24 months). Such amounts can be repaid. 	Yes	Yes	401(a) DC, 401(k), 403(a), 403(b), Governmental 457(b), IRA, DB
Effective on the date on which SECURE 2.0 was enacted. (December 29, 2022)	Section 345: Annual audits for group of plans	<ul style="list-style-type: none"> Generally, under current law, a Form 5500 for a DC plan covering more than 100 participants must contain an opinion from an independent qualified public accountant as to whether the plan's financial statements and schedules are fairly presented. SECURE 2.0 clarifies that plans filing under a Group of Plans need only submit an audit opinion if they have 100 participants or more. No financial audit of the entire group filing is required. 	Yes (that is, a plan could submit an audit opinion, whether or not it is required)	N/A	401(a) DC plans filing as a group of plans, 401(k) plans filing as a group of plans, 403(b) plans filing as a group of plans, DC/DB plans filing as a group of plans
Effective on the date on which SECURE 2.0 was enacted. (December 29, 2022)	Section 604: Optional treatment of employer matching or nonelective contributions as Roth contributions	<ul style="list-style-type: none"> Permits DC plans to provide participants with the option of receiving employer-matching contributions on a Roth basis. 	Yes	Yes	401(k), 403(b), Governmental 457(b)
Plan years beginning after enactment of SECURE 2.0	Section 113: Small financial incentives	<ul style="list-style-type: none"> Allows employers to offer small financial incentives (such as gift cards) to join the plan if the incentives are not paid for with plan assets. Provides a prohibited transaction exemption. 	Yes	No	401(k), 403(b)
Applies to Calendar years ending after date of enactment	Section 201: Removes required minimum distribution (RMD) barriers for life annuities	<ul style="list-style-type: none"> Eliminates barriers for life annuities under plans and IRAs by providing relief from the actuarial test for RMD rules (minimum income threshold test, aka MITT) which limited availability of certain annuity features (increasing annuity amounts) offered under qualified plans and IRAs. Updates the actuarial test and exempts certain types of benefits such as annual increase of up to 5%, commutations, acceleration of up to 12 months of payments, lump-sum payment on death. 	No	Potentially. Depends on whether the plan document references the RMD rules in that level of detail.	401(a) DC, 401(k), 403(b), 457(b), IRA
2023					
Effective for taxable years beginning after December 31, 2022	Section 102: Modification of credit for small employer pension plan startup costs	<ul style="list-style-type: none"> Changes the 3-year small employer startup tax credit by raising the credit to 100% from 50% for employers (with up to 50 employees). Small employer startup tax credit, capped at \$5,000 per year. For employers with 51 – 100 employees, the current limit of 50% of start up costs up \$5,000 remains in place. Except for DB plans, an additional credit is provided for small employers (100 or fewer employees) on employer contributions, with a per-employee cap of \$1,000. Credit is available for 5 years; 100% in years 1 & 2, 75% in year 3, 50% in year 4, and 25% in year 5. Credit phased out for employers with 51 – 100 employees. 	N/A	No	401(a) DC, 401(k), 403(b), DB
Plan years beginning after December 31, 2022	Section 106: Multiple employer 403(b) plans	<ul style="list-style-type: none"> Allows 403(b) plans to participate in MEPs and PEPs. The provision expands pooled employer plans to ERISA 403(b) plan sponsors. Non-ERISA 403(b) plan sponsors can participate in multiple employer plans (this does not include Church plans). Includes relief from the one bad apple rule so violations of one employer do not affect the tax treatment of employees of compliant employers. 	Yes	N/A	403(b)



Effective date	Provision	Description	Optional?	amendment?	impacted
Distributions after December 29, 2023	Section 120: Allows for automatic portability of small retirement plan balances	<ul style="list-style-type: none"> Plan service providers may automatically transfer amounts in a default IRA to a new employer's plan unless the participant elects otherwise (opts out). Act also increases the automatic cash-out minimum from \$5,000 to \$7,000. 	Yes	Yes	401(a) DC, 401(k), 403(b), Governmental 457(b), SEP IRA, SIMPLE IRA
Plan years beginning January 1, 2023	Section 306: Eliminate the "first day of the month" requirement for governmental section 457(b) plans	<ul style="list-style-type: none"> Under current law, participants in a governmental 457(b) plan must request changes in their deferral rate prior to the beginning of the month in which the deferral will be made. This rule does not exist for other DC plans. Section 306 allows such elections to be made at any time prior to the date that the compensation being deferred is available. 	Yes	Yes, to the degree included in the plan document.	Governmental 457(b)
Plan years beginning after December 31, 2022	Section 320: Eliminating unnecessary plan requirements related to unenrolled participants	<ul style="list-style-type: none"> Adds new Section to ERISA and the Code. Employers are no longer required to provide certain Code or ERISA notices to eligible employees (EE) that have elected not to participate in the plan. EE must have received summary plan description (SPD) and any other eligibility/enrollment notices. Plan must send (i) an eligibility reminder notice (with applicable election deadlines) on an annual basis (can be done electronically); and (ii) EE-requested documents that are otherwise required. 	Yes	Yes	401(a) DC, 401(k), 403(b)
Tax years beginning January 1, 2023	Section 601: Roth in SEP/SIMPLE	<ul style="list-style-type: none"> Allows SIMPLE IRAs to begin accepting Roth contributions. Allows simplified employee pension plans (SEPs) to allow employees to treat employee and employer contributions as Roth. 	Yes	Yes	SEP IRA, SIMPLE IRA
Applies to distributions required to be made after December 31, 2022, for individuals who are 72 after such date (January 1, 2023).	Section 107: Increase in Age for Required Beginning Date for RMDs	<p>Increases Required Beginning Date:</p> <ul style="list-style-type: none"> 73 for individual who attains age 72 after December 31, 2022, and age 75 before January 1, 2033. 75 for individual who attains age 74 after December 31, 2032. 	No	Yes	401(a) DC, 401(k), 403(b), 457(b), IRA, DB
2024					
Taxable years beginning after December 31, 2023	Section 108: Indexes the \$1,000 catch-up contribution limit for IRA investors age 50 and older	<ul style="list-style-type: none"> Catch-up contributions to IRAs will be subject to same inflation indexing rules as regular IRA contributions. \$1,000 IRA catch-up contribution amount for individuals 50 years and older is increased based on inflation. If the amount of the increase is not a multiple of \$100, it will be rounded to next lower multiple of \$100. 	No	No	IRA
Distributions made after December 31, 2023	Section 115: Withdrawals for certain emergency expenses	<ul style="list-style-type: none"> Provides exception from 10% penalty for premature distributions if the distribution is used for emergency expenses. Expenses must be for unforeseeable or immediate financial needs relating to personal or family emergency. Plan sponsor may rely on participant self-certification of the emergency. 1 distribution per year up to \$1,000. Participant has option to repay the distribution within 3 years. No further emergency distributions permitted during 3-year payback period unless repayment occurs, or the participant makes elective contributions at least equal to the amount of the distribution. 	Yes	Yes	401(a) DC, 401(k), 403(b), Governmental 457(b), Traditional IRA
Plan years beginning after December 31, 2023	Section 127: Allows a DC plan to offer non-highly compensated participants an opportunity to contribute to a "pension linked emergency savings account" (PLESA)	<ul style="list-style-type: none"> Funded post-tax with Roth-type contributions. Maximum contribution is \$2,500 or a lower amount set by the employer. Once the account balance reaches \$2,500, no further contributions may be made until balance falls below \$2,500. Plan must permit at least 1 withdrawal per month and at least 4 per year with no fee or penalty. Contributions count toward annual deferral limit. Eligible for employer match up to \$2,500; match is invested in the participant's retirement account. Should any addition contributions cause the account balance to exceed \$2,500, the excess contributions may be directed to participant's in-plan Roth account (if one exists) or stopped until the balance of the account derived from employee contributions falls below the \$2,500 cap. Distributions are deemed to be qualified Roth distributions and are not taxable. At separation from service or termination of the PLESA, participant may take balance of account as cash or rollover to in-plan Roth account (if allowed) or Roth IRA. Employers may auto-enroll employees up to 3% of pay invested in a principal-protected investment in manner consistent with DOL QDIA regulations. The PLESA account must be invested in an investment product intended to preserve principal and provide a reasonable rate of return. Investment product must be offered by a state of federally regulated institution. 	Yes	Yes	401(k), 403(b), Governmental 457(b)



Effective date	Provision	Description	Optional?	Plan amendment?	Plan types impacted
Creation of the database is directed to be completed no later than 2 years after the date on which SECURE 2.0 was enacted.	Section 303: Retirement savings lost and found	<ul style="list-style-type: none"> DOL, in consultation with the IRS, would be directed to create a national online searchable lost and found database for Americans' retirement plans, to be known as the "Retirement Savings Lost and Found." Will enable retirement savers, who might have lost track of their pension or 401(k) plan, to locate the contact information of their plan administrator in order to search for amounts that may be due to them. 	N/A	N/A	401(a) DC covered by ERISA, 401(k) covered by ERISA, 403(b) covered by ERISA, DB plans covered by ERISA
Generally applies to taxable years beginning after December 31, 2023, but not to distributions which are required with respect to years beginning before January 1, 2024, but are permitted to be paid after such date	Section 325: Roth Plan Distribution Rules: (Eliminates the lifetime RMDs for Roth accounts under qualified plans)	<ul style="list-style-type: none"> Eliminates the requirement for participants in qualified plans to receive RMDs for Roth accounts in such qualified plans during their lifetime. That is, the Act brings the Roth RMD rules for qualified plans in line with the existing Roth IRA rules (i.e., no pre-death RMDs). 	No	Yes	401(a) DC, 401(k), 403(b), 457(b)
Plan years beginning after December 31, 2023	Section 110: Treatment of student loan payments as elective deferrals for purposes of matching contributions	<ul style="list-style-type: none"> Allows such employees to receive matching contributions by reason of repaying their student loans. Matching contributions are with respect to "qualified student loan payments." A qualified student loan payment is broadly defined as any indebtedness incurred by the employee solely to pay qualified higher education expenses of the employee. For purposes of the nondiscrimination test applicable to elective contributions, Section 110 permits a plan to test separately the employees who receive matching contributions on student loan repayments. These matching contributions must also vest under the same schedule as all other matching contributions. The participant must certify annually regarding the loan payments that authorize the matching contribution. The maximum amount of qualified student loan payments that may be matched can not exceed the current 402(g) limit (increased by catch-up contributions if applicable) reduced by any elective deferrals the participant may have made. 457(b) plan sponsors can make matching contributions to 401(a) and 403(b) plans that they also sponsor. 	Yes	Yes	401(k), 403(b), 457(b), Governmental 457(b), SIMPLE IRA
Effective for plan years beginning after December 31, 2023	Section 121: Starter 401(k) Plans for Employers with No Retirement Plan	<ul style="list-style-type: none"> Expands Code sections 401(k) and 403(b) to allow employers to offer "starter" 401(k) or "safe harbor" 403(b) plans through which participants are auto-enrolled at a default compensation deferral rate of 3-15%. The limit on annual deferrals is \$6,000 (this amount is less than the 2023 IRA contribution limit of \$6,500), with an additional \$1,000 catchup beginning at age 50. The contribution limit is subject to indexing. 	Yes	Yes	New 401(k) with no existing qualified plan, New 403(b) with no existing qualified plan
Distributions made after December 31, 2023	Section 304: Updating dollar limit for mandatory distributions	<ul style="list-style-type: none"> Amends applicable consent and auto-rollover sections of ERISA and the Code. Plans may be drafted to cash out participant balances under \$5,000 (and require rollovers to an IRA of any balance between \$1,000 and \$5,000). Section 304 increases this amount to \$7,000. 	Yes	Yes	401(a) DC, 401(k), 403(b), 457(b), DB
Effective for distributions made after December 31, 2023	Section 314: Penalty Free Withdrawal from Retirement Plans for Individual in Case of Domestic Abuse	<ul style="list-style-type: none"> Adds new Section 72(t)(2)(K), which provides that domestic abuse victims have a 1-year period to take a distribution (capped at the lesser of \$10,000 or 50% of account balance on a plan aggregation basis) from an eligible retirement plan. Abuse grounds include abuse of child or household member. Such amounts can be repaid within three years from date of distribution. Victim can self-certify need. The distribution is not eligible for rollover treatment. 	Yes	Yes	401(a) DC, 401(k), 403(b), 457(b), IRA Distribution option does not apply to DB plans or other plans subject to qualified joint and survivor annuity (QJSA).
Calendar years beginning after December 31, 2023 (January 1, 2024)	Section 327: Surviving spouse election to be treated as employee	<ul style="list-style-type: none"> A surviving spouse may elect to be treated as the deceased plan participant or IRA owner for purposes of the RMD rules. 	No	Unlikely. Depends on whether the plan document references the RMD rules in that level of detail.	401(a) DC, 401(k), 403(b), 457(b), IRA, DB
Plan years beginning after December 31, 2023	Section 602: Hardship withdrawal rules for 403(b) plans	<ul style="list-style-type: none"> Under current law, the distribution rules for 401(k) and 403(b) are different in certain ways that are historical anomalies for varied reasons. Section 602 conforms the 403(b) rules to the 401(k) rules such that matching and non-elective contributions, as well as earnings, are available for hardship withdrawals. 	Yes	Yes, to the degree hardship sources are provided in the plan document.	403(b)



Effective date	Provision	Description	Optional?	Plan amendment?	Plan types impacted
Effective for taxable years beginning after December 31, 2023	Section 603: Elective deferrals generally limited to regular contribution limit	<ul style="list-style-type: none"> All catch-up contributions are subject to Roth tax treatment (i.e., contributions are made on a post-tax basis and subject to taxation in the year made). Distributions of both contributions and earnings are tax-exempt if the account meets the qualification requirements (participant is age 59½ and account has been in existence for 5 years). If qualification requirements are not met, the earnings are taxable. There is an exception for participants with compensation of \$145,000 or less. The Roth catch-up requirement does not apply to the 403(b) and 457(b) special catch-up. 	No	Yes	401(k), 403(b), Governmental 457(b)
2025					
Distributions after December 29, 2025	Section 334: Allows retirement plan distributions to purchase long-term care insurance	<ul style="list-style-type: none"> Participant may withdraw annually up to the lowest of: <ol style="list-style-type: none"> \$2,500 (indexed); the actual amount of the long-term care premium; or 10% of the employee's vested accrued balance. Exempt from early withdrawal penalties. Limited to policies that provide high-quality coverage (must include cost-of-living adjustment (COLA) and other features). Premium statement must be filed with plan. Insurer must file policy specifics with IRS. 	Yes	Yes	401(a) DC, 401(k), 403(b), 457(b), IRA
Effective for plan years beginning after December 31, 2024	Section 101: Automatic enrollment in retirement plans	<ul style="list-style-type: none"> Requires new 401(k) and 403(b) plans to include auto-enrollment and auto-escalation provisions with the option for the participant to opt out. Plans established before the date of enactment, December 29, 2022, are grandfathered and not subject to the mandate. The initial auto-enrollment amount must be at least 3% but not more than 10%. Each year that amount would increase by 1% until it reaches 10% but not more than 15%. Excluded from this provision are small businesses with 10 or fewer employees, new businesses (in business for less than 3 years), church plans and governmental plans. 	No	Yes	New 401(k), New 403(b) Note: Current 401(k) and 403(b) plans are grandfathered from this provision.
Taxable years beginning after December 31, 2024 (January 1, 2025)	Section 109: Higher catch-up limit for individuals age 60, 61, 62 and 63	<ul style="list-style-type: none"> Increases catch-up limit for participants age 60–63: <ul style="list-style-type: none"> To the greater of (1) \$10,000 and (2) 150% of the regular limit. Lower limit for SIMPLE plans of \$5,000 and 150%. The increased amounts are indexed for inflation for tax years beginning after December 31, 2025. 	No	Yes	401(k), 403(b), Governmental 457(b), SIMPLE IRA, SIMPLE 401(k)
Plan years beginning after December 31, 2024	Section 125: Improving coverage for part-time workers	<ul style="list-style-type: none"> Employers maintaining a 401(k) plan (except collectively bargained) must have a dual eligibility requirement under which an employee must complete either 1 year of service (with the 1,000-hour rule) or 3 consecutive years of service (where the employee completes at least 500 hours of service). Section 125 reduces the 3-year rule to 2 years. No 12-month period prior to January 1, 2023, will be taken into account for purposes of this amendment. Service for vesting purposes is disregarded for years prior to 2021 under the 3-year rule and for service prior to 2023 for the 2-year rule. 	No	Yes	401(k) covered by ERISA, 403(b) covered by ERISA
2026					
Plan years beginning after December 31, 2025; DOL required to update ERISA regulations by December 31, 2024	Section 338: Requirement to provider paper statements in certain cases	<ul style="list-style-type: none"> Amends ERISA. Defined contribution (DC) plans relying on the 2020 e-delivery safe harbor must provide at least 1 annual paper benefit statement (remaining 3 may be electronic). DC plans relying on either of the 2002 e-delivery safe harbors are exempt from this requirement but must provide notice to participants becoming eligible on January 1, 2026, or later regarding the use of electronic disclosure. Defined benefit (DB) plans must provide the annual benefit statement required every 3 years via paper, unless participant opts out. 	No	Not likely	401(a) DC covered by ERISA, 401(k) covered by ERISA, 403(b) covered by ERISA, DB covered by ERISA



Effective date	Provision	Description	Optional?	Plan amendment?	Plan types impacted
2027					
Effective for taxable years beginning after December 31, 2026	Section 103: Saver's Match (and Section 104: Promotion of Savers Match)	<ul style="list-style-type: none"> Repeals and replaces the current credit for certain individuals who make IRA or retirement plan account contributions. The new law changes the credit from a cash tax refund payment into a federal matching contribution that must be deposited into a taxpayer's IRA or retirement plan. The match is 50% of the IRA or retirement plan contributions up to \$2,000 per individual. The maximum match per year is \$1,000. If the amount of the match is less than \$100 the individual may elect to receive the match as a direct refund. The match phases out at certain income levels. Section 104 requires Treasury to report back to Congress not later than July 1, 2026, on promotion and awareness efforts to low- and moderate-income taxpayers. 	No	Yes	IRA, 401(k), 403(b), Governmental 457(b)

Please check with your Empower representative before amending your plan(s) to add any optional provision. This table does not include non-DC plan changes in the bill or other minor changes.

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JANUARY

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