

SECURE 2.0 Amendment — TPA Recommended Elections

The following reflects Tennessee Pension Administrators' recommended elections for your plan's SECURE 2.0 amendment.

Provision	TPA Election	Why It Matters
Force-Out Limit (§6)	✓ Increased to \$7,000	Effective 01/01/2024. Raises the involuntary cash-out threshold from \$5,000 to \$7,000.
Top-Heavy — Excludable Employees (§7)	✓ Exclude LTPT / young employees from top-heavy minimum	Effective 01/01/2024. Otherwise Excludable Employees (under age 21 or <1,000 hrs) do not receive mandatory top-heavy minimums.
LTPT Eligibility Period (§12a) (§12e)	✓ Switch to Plan Year ✓ LTPT Employees may make Roth deferrals	Effective 01/01/2024. Aligns LTPT computation periods with Plan Year for cleaner administration and consistent tracking and allows LTPT to elect roth deferrals.
Hardship Self-Certification (§14)	✓ Default: Self-certification permitted	No election needed — the default allows participants to self-certify hardship. Reduces administrative burden while maintaining compliance.
Roth Catch-Up — Wage Counting (§15)	✓ Default: Common-law employer only	No election needed. Only wages from the participant's direct employer count toward the \$150,000 Highly-Paid Individual threshold. Simplest approach for most single-entity employers.
Enhanced Catch-Up Ages 60–63 (§16)	✓ Default: Enhanced limit applies to all eligible	No election needed. The higher catch-up limit (150% of standard) automatically applies to participants age 60–63. No restriction elections recommended.
Roth Employer Contributions (§1)	☐ Not elected — default applies	Plan does not permit employer contributions (match or non-elective) on a Roth basis. Elect only if your plan is prepared for Roth employer contribution recordkeeping.
Military Spouse Benefits (§2)	☐ Not elected — default applies	Optional. Consider electing if your workforce includes a meaningful number of military spouses. Requires immediate vesting of employer contributions.
Student Loan Matching (§3)	☐ Not elected — default applies	Optional but increasingly popular. Consult TPA before electing — requires payroll coordination and annual participant certification.
Emergency Personal Expense Distributions (§4)	☐ Not elected — default applies	Optional. Plan does not permit \$1,000 emergency distributions. Electing adds participant flexibility but introduces additional distribution tracking.
Domestic Abuse Distributions (§8)	☐ Not elected — default applies	Optional. Consider electing to provide this participant protection. Self-certification is permitted; distributions capped at lesser of \$10,000 or 50% of vested benefit.
Pension-Linked Emergency Savings (§13)	☐ Not elected — default applies	Optional add-on Roth savings account. Administratively complex — discuss with TPA and recordkeeper before electing.
Qualified Long-Term Care Distributions (§18)	☐ Not elected — default applies	Optional. Permits penalty-free distributions for qualified LTC premiums (up to \$2,500). Electing requires coordination with LTC insurance providers.

- ✓ Elected / Active
- ☐ Not Elected (Default)

This handout is a summary of TPA's recommended elections based on standard plan design best practices. Individual plan circumstances may vary. Please review all elections with your Tennessee Pension Administrators representative before executing the amendment. This document does not constitute legal or tax advice.