



2024 WICPA BUSINESS & INDUSTRY FALL CONFERENCE

YOUR SOURCE FOR KEY UPDATES & INSIGHTS ON TIMELY ISSUES

HIGHLIGHTED TOPICS:



NAVIGATING THE FUTURE OF BENEFITS INSURANCE: TRENDS, STRATEGIES & SOLUTIONS

Find out about the latest marketplace trends and innovative strategies in benefits insurance



SOUTHEAST WISCONSIN BUSINESS CLIMATE UPDATE

Get the latest updates on the business climate in southeast Wisconsin and the overall strategy to spur economic growth in the region



AI USE & ETHICS FOR ACCOUNTANTS

Learn about the transformative potential of AI in the accounting field and the importance of ethical AI use

TUESDAY, OCT. 22 | BROOKFIELD CONFERENCE CENTER & WICPA CPE LIVESTREAM

2024 WICPA BUSINESS & INDUSTRY FALL CONFERENCE

MATERIALS AT A GLANCE

The following materials are from the morning sessions of the 2024 WICPA Business & Industry Fall Conference held on Tuesday, Oct. 22, including:

- Southeast Wisconsin Business Climate Update
- Employment Law Updates
- Trends in Retirement Plans

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Avoid IRS Scrutiny



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Maximize Business Tax Credits, Incentives & Deductions

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WICPA Business & Industry Fall Conference



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Source: www.cpapracticeadvisor.com



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A blurred, high-angle photograph of a modern office interior. Several people in business attire are visible, some standing and some sitting at desks, creating a sense of activity and movement. The lighting is bright and even, highlighting the clean lines of the office furniture and the reflective floor.

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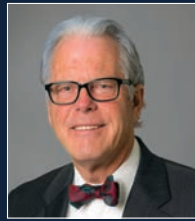




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Terri S. Boxer, J.D.



Robert E. Dallman, J.D., LL.M.



Thomas P. Guskowski, J.D., LL.M.



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Spring Conference**

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We've made it extremely easy for you to participate!

- Reach out to one or more high schools you're interested in speaking at
- Schedule a day and time with the school
- Let us know by completing the Accounting Careers Month Volunteer Form
- We'll provide you with everything you need including a presentation, talking points, tips, resources and fun gifts for students!

Get involved at wicpa.org/CareersMonth



TOGETHER,

we have the power to make a difference.

Contributions to the WICPA Political Action Committee (CPAC) and Legislative Involvement Fund (LIF) allows the WICPA to:



Educate lawmakers about the issues impacting Wisconsin CPAs.



Ensure a healthy business climate for CPAs and the clients you serve.



Strengthen the voice and visibility of the WICPA and its members.



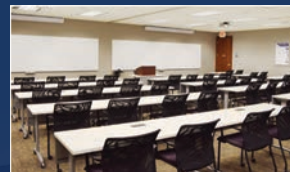
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WICPA Educational FOUNDATION

YOU have the opportunity to impact thousands of students and educators in Wisconsin.



Through your contribution to the WICPA Educational Foundation, you can help us reach students and educators in high school and college to create awareness about the accounting profession.

As the end of 2024 draws near and you are thinking about tax planning, consider donating to the WICPA Educational Foundation.

Questions? Contact Tammy J. Hofstede, WICPA President and CEO at tammy@wicpa.org.

To contribute, visit wicpa.org/EF.

INSPIRE FUTURE ACCOUNTANTS

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Strengthen the CPA pipeline with future talent



Showcase your internships & job shadow opportunities



WICPA Educational FOUNDATION

Don't miss the chance to inspire and recruit the next generation of accountants. Get noticed by high school educators now! Learn more at wicpa.org/HighSchoolActivityHost.





Join the WICPA Board of Directors!

The WICPA is seeking members to serve on its board of directors.

Opportunities include:

- Staying up to date on professional issues
- Providing strategic governance in accordance with the WICPA strategic plan, mission and vision
- Acquiring new leadership and training skills



To apply, visit wicpa.org/BoardApplication through Nov. 15, 2024.

Questions?
Contact tammy@wicpa.org.

Applicants must be WICPA CPA members in good standing. A "CPA member" is defined as a WICPA member who has obtained a certificate as a CPA from the Accounting Examining Board of the State of Wisconsin, or from a similar legally constituted authority in any other state, possession or territory of the United States or the District of Columbia.



**Educational
FOUNDATION**

Join the WICPA Educational Foundation Board!

The WICPA Educational Foundation is seeking members to serve on its board of directors.



Some of the opportunities include:

- Assisting in efforts to attract students to the profession.
- Providing strategic governance in accordance with the WICPA Educational Foundation mission.
- Acquiring new leadership skills.

The WICPA Educational Foundation plays a pivotal role in supporting programs to improve awareness and perceptions by educating students and educators about the exciting opportunities available to accounting professionals.

To apply, visit wicpa.org/EFBoardApplication through March 1, 2025. ► **Questions?** Contact tammy@wicpa.org.



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8:15 – 9:15 a.m.

Southeast Wisconsin Business Climate Update

Dale Kooyenga, CPA, *President, Metropolitan Milwaukee
Association of Commerce*

MMAC's Vision

A GLOBALLY **COMPETITIVE**
REGION THAT FOSTERS
HIGH-VALUE JOBS TO
SUSTAIN A VIBRANT QUALITY
OF LIFE FOR ALL

BEST ASSETS



Quality of Life

Healthcare
Entertainment
Accessibility



People/ Quality of the Workforce



Strength of Economy



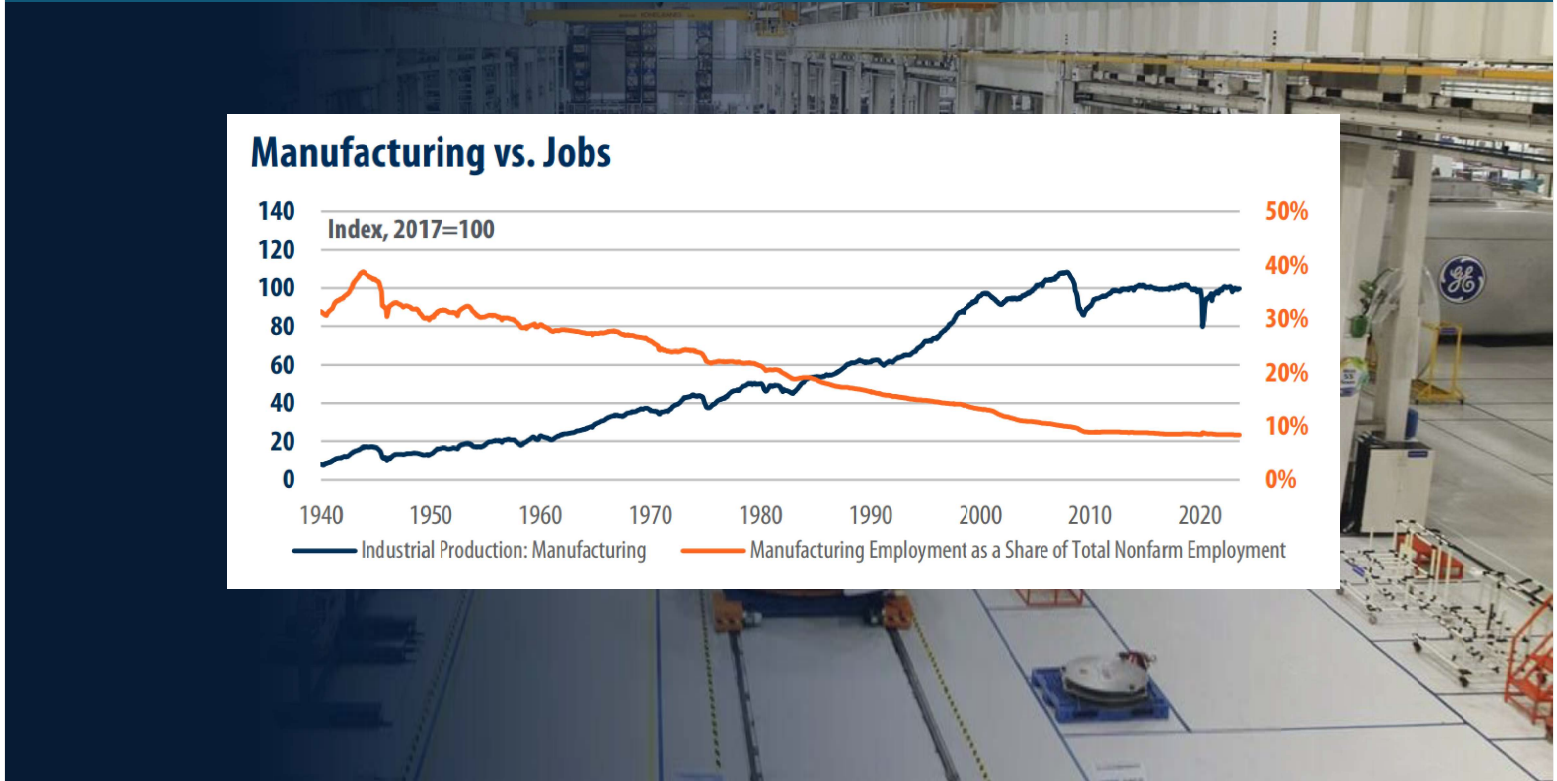
Education (Higher ed, and most K- 12)



Climate Haven



U.S. MANUFACTURING: 85-YEAR SUMMATION



M7 REGION MFG. EMPLOYMENT CHANGE: 2001-23

Production Occupations

2023: 105,360

-25%

-36,038 jobs

Engineering Occupations

2023: 19,486

+4%

+722 jobs

M7 REGION'S MANUFACTURING STORY – 10 OCCUPATIONS

Occupation	2023 Annual wage	Jobs 2023	Change from 2001	%
Industrial production managers	\$117,832	1,968	319	19%
Software developers	\$105,978	6,960	2,598	60%
Electrical engineers	\$96,098	1,975	602	44%
Mechanical engineers	\$89,305	3,127	644	26%
Industrial engineers	\$87,287	3,427	1,708	99%
CNC tool operators	\$53,079	5,332	2,194	70%
Machinists	\$46,796	3,141	-2,895	-48%
Inspectors, testers, sorters	\$46,641	4,126	-5,125	-55%
Cutting, punching & press operators	\$42,947	2,798	-1,714	-38%
Assemblers & fabricators	\$39,180	9,848	-3,898	-28%

BROOKINGS ADVANCED EMPLOYMENT COMPARISON

Region	Advanced Services			Advanced Manufacturing		
	Jobs	% Change	LQ 2022	Jobs	% Change	LQ 2022
MILWAUKEE*	37,951	-5%	0.69	47,224	-37%	1.53
Cleveland	50,726	3%	0.75	52,691	-40%	1.37
Columbus	63,775	14%	0.88	31,659	-32%	0.76
Indianapolis	66,155	67%	0.89	51,109	-26%	1.22
Kansas City	82,654	-11%	1.14	45,806	+35%	1.07
Pittsburgh	67,438	-2%	0.94	41,555	-31%	0.99
St. Louis	73,872	8%	0.81	58,440	-26%	1.11

LQ (Location Quotient) measures the concentration of employment in a specific geographic locale compared to the US as a whole

* Data for Milwaukee-Waukesha MSA, not M7 region

JOB CHANGE: 2010 – 2023

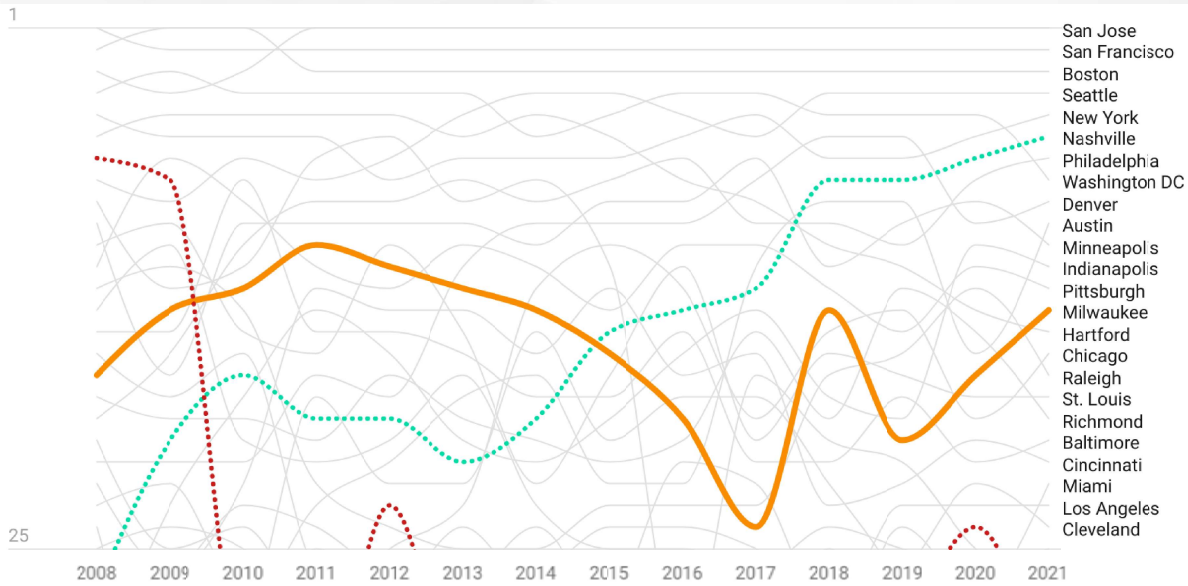
Region	2023 Jobs	Change from 2010	%	Retiring Soon (55+)
U.S.	172,310,338	26,327,951	18%	99,880,289
MILWAUKEE	1,095,957	67,751	7%	622,296
Cleveland	1,090,050	33,304	3%	646,242
Columbus	1,187,834	204,003	21%	566,463
Indianapolis	1,183,783	220,864	23%	576,925
Kansas City	1,192,204	156,846	15%	629,954
Pittsburgh	1,179,324	-18,232	-2%	839,856
St. Louis	1,486,125	99,303	7%	886,762

Top 25 U.S. metros by per capita income

1	San Jose	\$106,026
2	San Francisco	\$89,632
3	Boston	\$73,050
4	Seattle	\$67,654
5	New York	\$64,511
6	Nashville	\$63,642
7	Philadelphia	\$63,342
8	Washington	\$63,025
9	Denver	\$62,160
10	Austin	\$61,940
11	Minneapolis	\$60,276
12	Indianapolis	\$60,124
13	Pittsburgh	\$59,975
14	Milwaukee	\$59,752
15	Hartford	\$59,711
16	Chicago	\$59,294
17	Raleigh	\$59,104
18	St. Louis	\$58,427
19	Richmond	\$58,373
20	Baltimore	\$58,281
21	Cincinnati	\$58,085
22	Miami	\$58,072
23	Los Angeles	\$57,836
24	Cleveland	\$57,094
25	Kansas City	\$56,925

Personal income rankings 2021 – top 25 of 50 largest metros

Rank Chart for Real Per Capita Personal Income



Source: U.S. Bureau of Economic Analysis • Created with Datawrapper

— Metro Milwaukee fastest increase (Nashville) Largest decline (Charlotte)

Milwaukee 7 Wins to Date

29,572

**JOBS
CREATED**

\$1.8B

**ANNUAL
PAYROLL**

\$6.48B

**CAPITAL
INVESTMENT**

BIGGEST LIABILITIES



**K-12 Education
(MPS)**



**Crime
(City)**



**Racial/
Economic
Disparities**



**Workforce
Shortages**



**Individual
Tax Rates**

Prosperity Ranking by Race

20 peer metros

White

1. Raleigh
2. Baltimore
3. Minneapolis
4. San Jose
5. Chicago
6. **Milwaukee**
7. Charlotte
8. San Antonio
9. Nashville
10. Orlando
11. St. Louis
12. Kansas City
13. Salt Lake
14. Indianapolis
15. Cleveland
16. Portland
17. Detroit
18. Columbus
19. Cincinnati
20. Pittsburgh
21. Buffalo

Black

1. Raleigh
2. San Antonio
3. Charlotte
4. Baltimore
5. Portland
6. Nashville
7. Chicago
8. Orlando
9. Indianapolis
10. Kansas City
11. Minneapolis
12. St. Louis
13. Columbus
14. Pittsburgh
15. Cincinnati
16. Louisville
17. Oklahoma City
18. Detroit
19. Cleveland
20. Buffalo
21. **Milwaukee**

Brown

1. St. Louis
2. Baltimore
3. Columbus
4. Minneapolis
5. Detroit
6. Indianapolis
7. Kansas City
8. San Antonio
9. Orlando
10. Salt Lake
11. San Jose
12. Nashville
13. Charlotte
14. Portland
15. Chicago
16. Cincinnati
17. Memphis
18. Raleigh
19. Cleveland
20. **Milwaukee**
21. Oklahoma City

POPULATION CHANGE: 2010 – 2023

Region	2023 Population	Change	%
U.S.	335,528,243	26,201,100	8%
MKE	2,024,745	→ 3,806	0%
Cleveland	2,073,616	-1,860	-0%
Columbus	2,173,348	→ 266,940	14%
Indianapolis	2,169,123	→ 276,460	15%
Kansas City	2,229,833	→ 216,410	11%
Pittsburgh	2,370,722	13,601	1%
St. Louis	2,806,536	16,432	1%

KEY METRICS: RESIDENT POPULATION

Region	Median Household Income	Bachelor's Degree +	< HS Diploma	Median Age
U.S.	\$69,021	34.1%	10.9%	38.1
MKE*	\$73,560	36.1%	7.8%	38.1
Cleveland	\$61,320	33.3%	8.3%	41.3
Columbus	\$71,020	39.0%	7.8%	36.2
Indianapolis	\$67,330	37.2%	9.3%	36.6
Kansas City	\$73,299	38.5%	7.2%	37.6
Pittsburgh	\$65,894	37.6%	5.1%	42.8
St. Louis	\$69,635	36.9%	6.9%	39.6

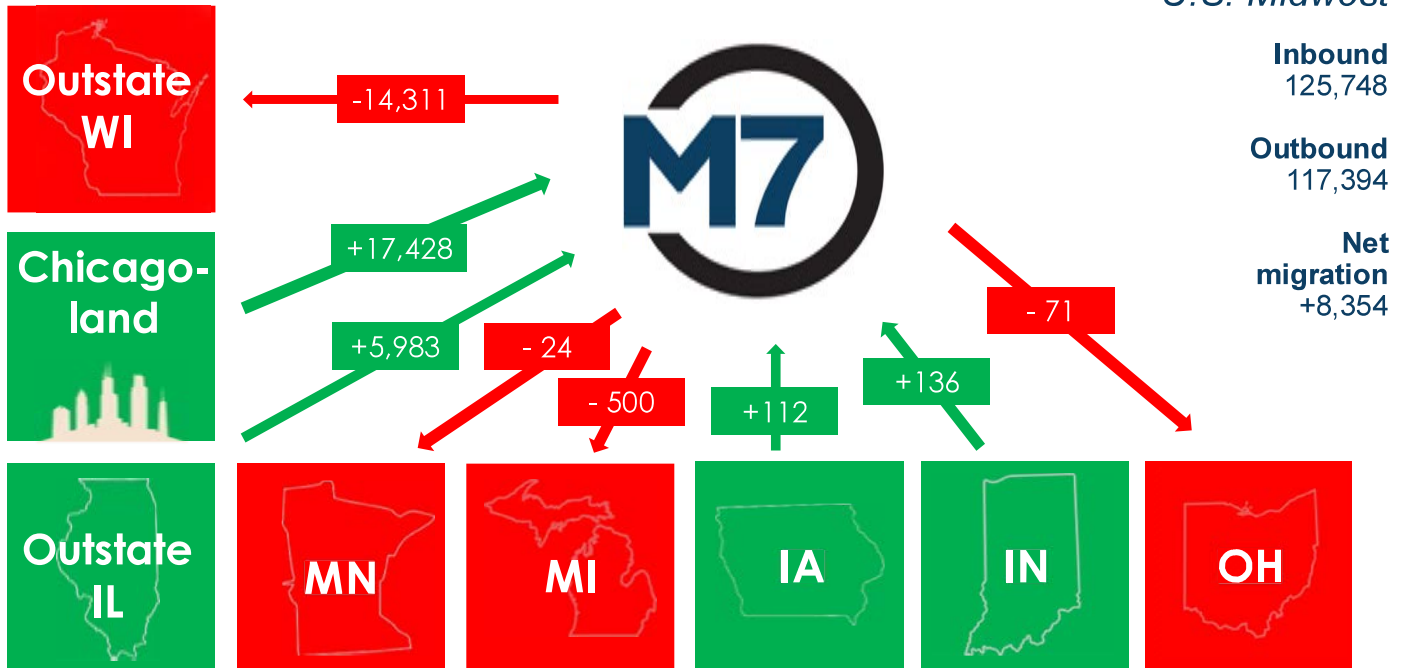
* Data for Milwaukee-Waukesha MSA, not M7 region

NET MIGRATION: 2016 – 2020



M7 NET MIGRATION: 2016 – 2020

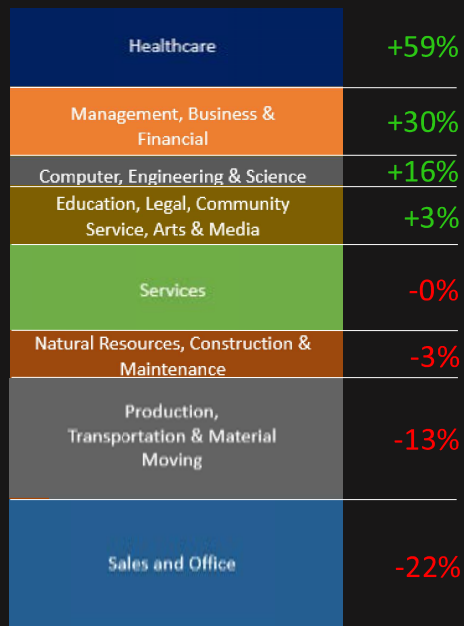
U.S. Midwest



NET MIGRATION FROM HOME STATE: 2016 – 2020



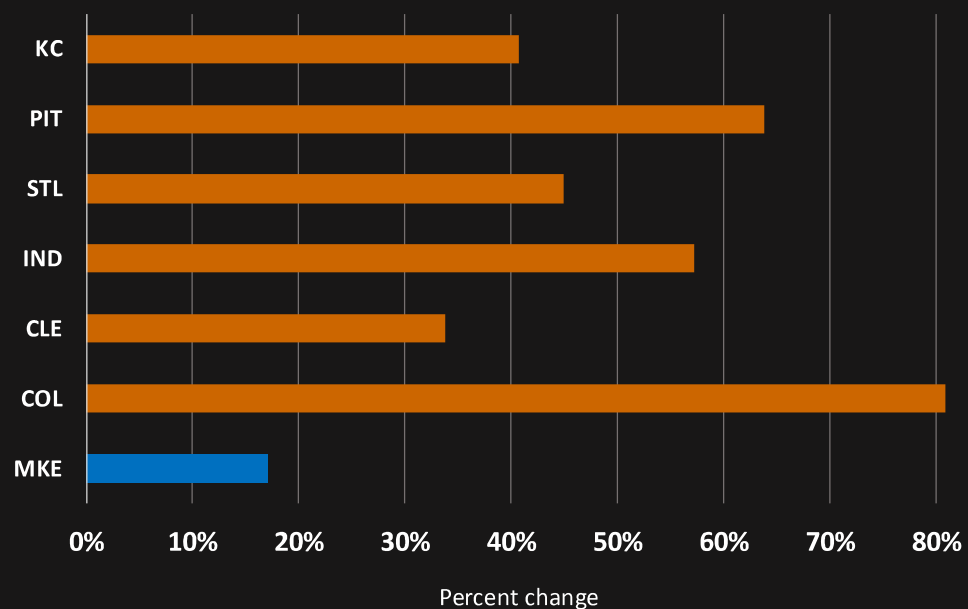
M7 REGION JOB CHANGE 2001 – 2023



2023

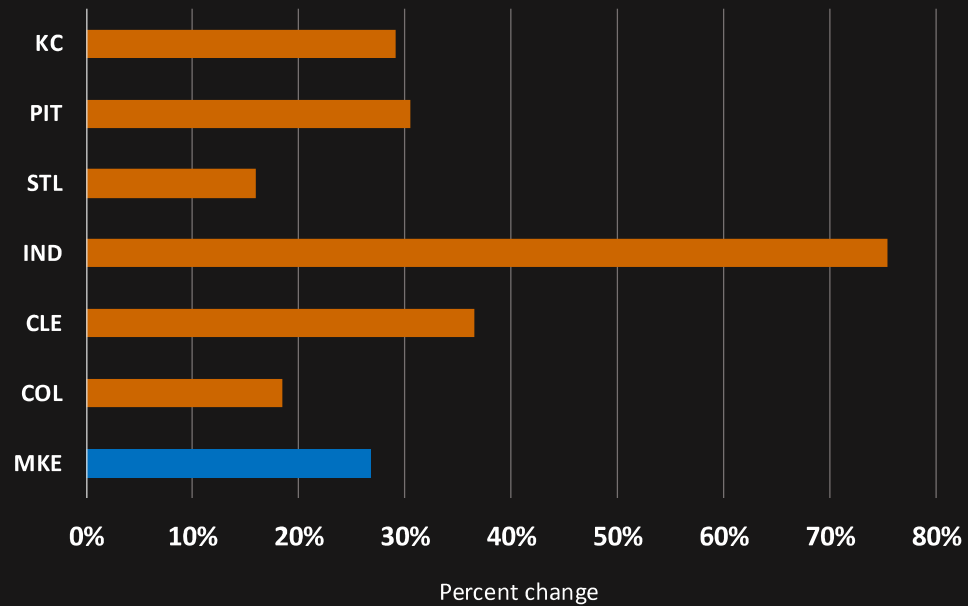
REGIONAL JOB CHANGE 2001 – 2023

Management
Employment



REGIONAL JOB CHANGE 2001 – 2023

Computer & Mathematical Employment



HIGH-VALUE EMPLOYMENT CONCENTRATION – 2022

Jobs paying > \$90,000/yr.

Comparative advantage

Comparative disadvantage

Industry	MKE LQ	Earnings Per Worker (US)	Projected US Job Growth Thru 2033
Management of companies & enterprises	1.84	\$169,626	15%
Professional, scientific & technical services	0.69	\$126,397	15%
Information	0.64	\$164,478	13%
Finance & insurance	1.02	\$148,730	10%
Wholesale trade	1.17	\$109,087	4%
Manufacturing	1.80	\$96,882	4%
Utilities	0.69	\$170,779	3%
Mining, quarrying & oil & gas extraction	0.15	\$139,264	3%

LQ (Location Quotient) measures the concentration of employment in a specific geographic locale compared to the US as a whole

Demographics Are Destiny

Metro Milwaukee

	POPULATION	2010-20	WORKING AGE BACHELOR'S DEGREE +	NO HIGH SCHOOL DIPLOMA	MEDIAN AGE
City	577,000	-3.0%	26.5%	14%	32.0
Metro	1,574,000	+1.2%	37.8%	8%	38.1
State	5,894,000	+3.6%	31.9%	7%	40.1

MPS Referendum Vote

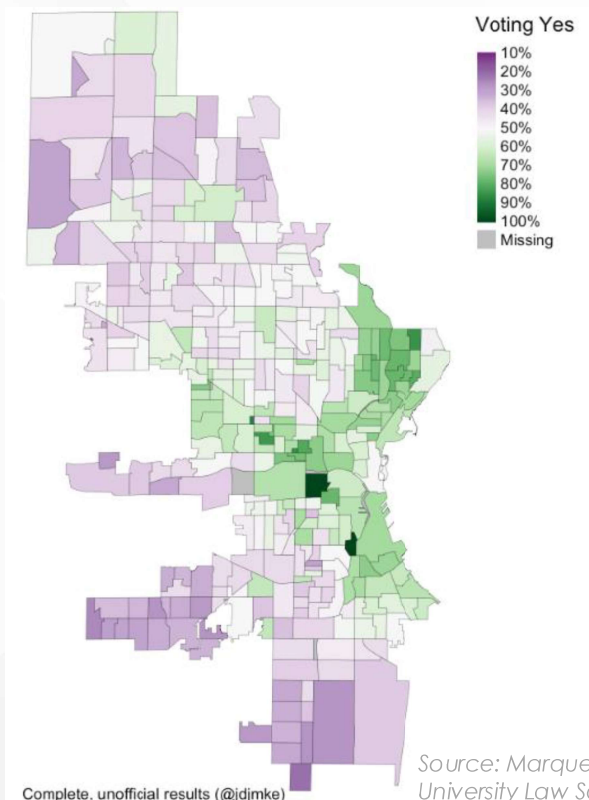
41,586 votes in favor (51%)
 39,866 votes against (49%)
 Difference: 1,720 votes
 MTEA has 5,300 Education Workers in Milwaukee
 MPS has 8,593 FTEs / 10,000 Employees

The referendum vote was **No**

- in majority Latino wards
- in majority Black wards
- in the majority of Milwaukee wards
- on election day
- wards with more children (larger households)

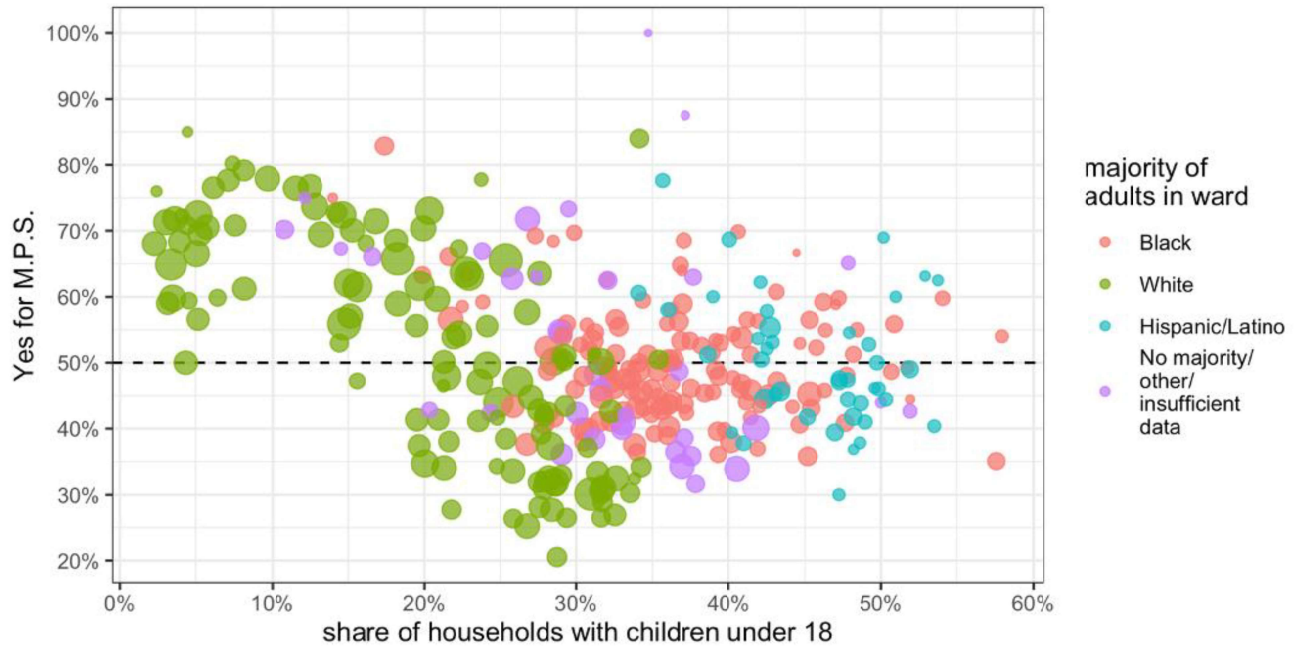
Yes in white wards

Yes on absentee ballots



M.P.S. Referendum vote by the share of households with children

Each dot is a ward whose size corresponds to the number of votes cast.



Complete, unofficial election night results. Demographics from the 2020 census. Graph by @jdjmke.

Source: Marquette University Law School

MMAC

K-12 city of Milwaukee

MATH & READING PROFICIENCY

All students

(1 out of 5)



Hispanic/Latino

(1 out of 7)



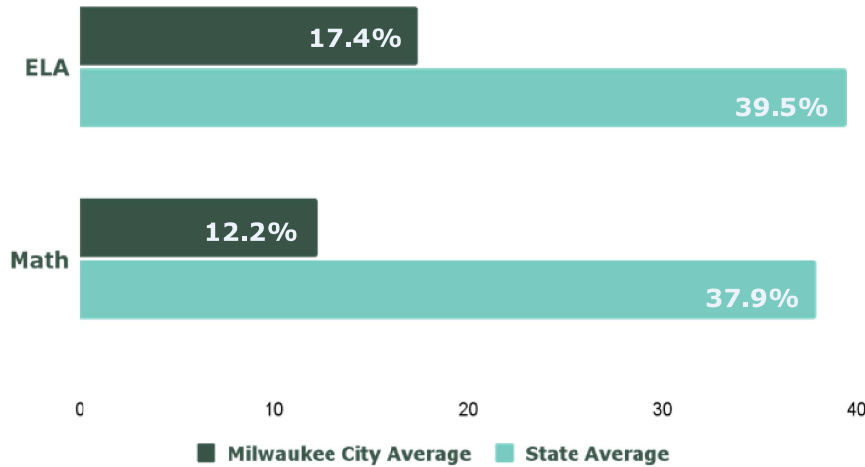
African American

(1 out of 10)



Our Student Proficiency Challenge: Milwaukee's Academic Crisis

Citywide Proficiency



ONLY **16%**

of **students** in Milwaukee are on grade level in Reading and Math

ONLY **13%**

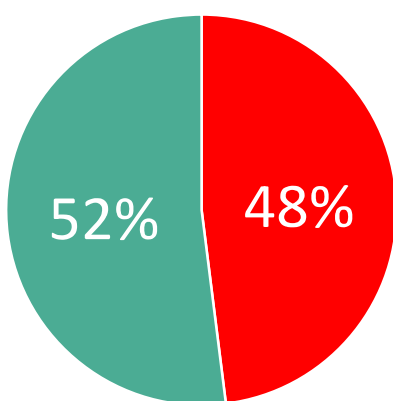
of **Hispanic students** are on grade level

ONLY **10%**

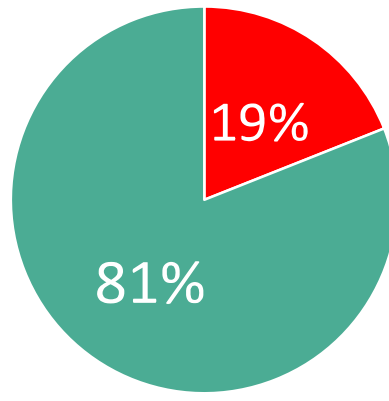
of **Black students** are on grade level

ARD
IVE

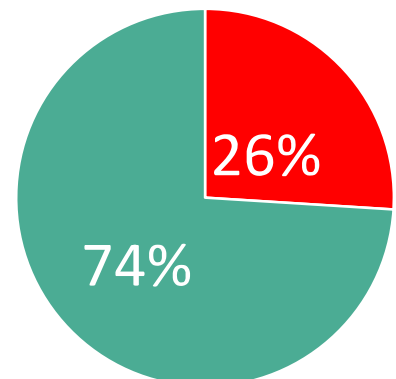
% of students at schools meeting/exceeding expectations



MPS

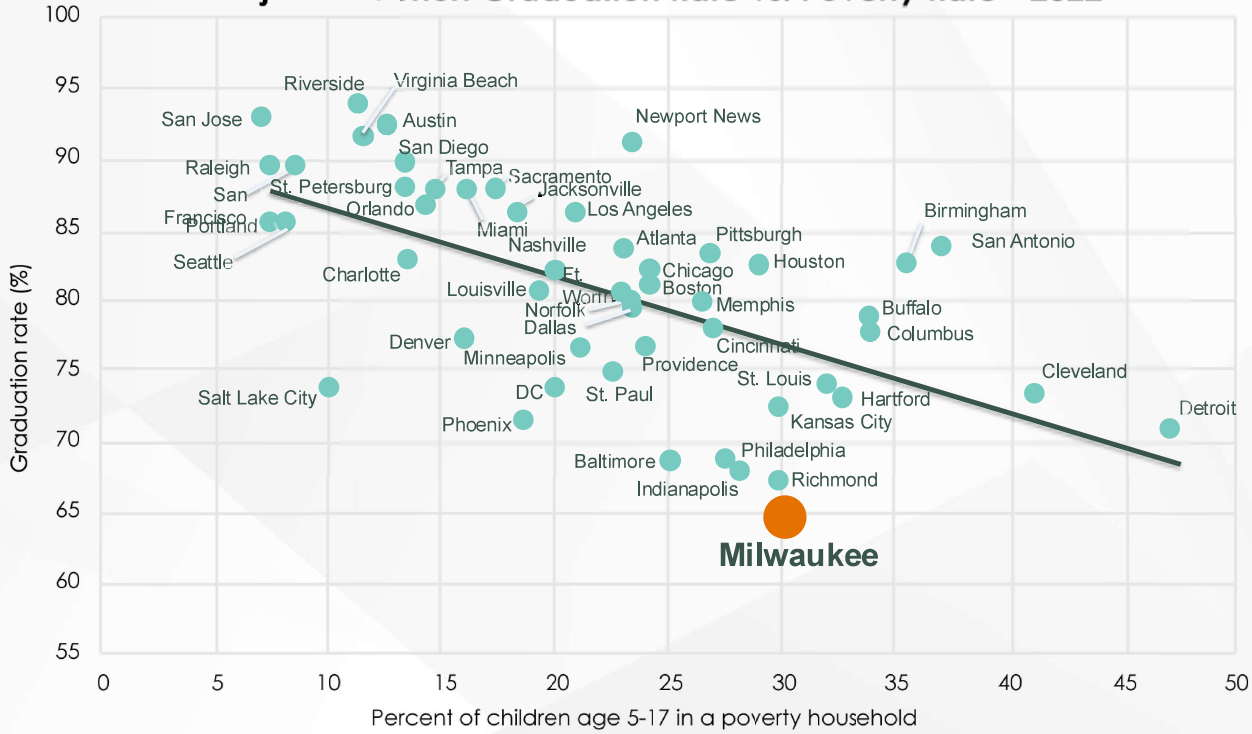


Choice

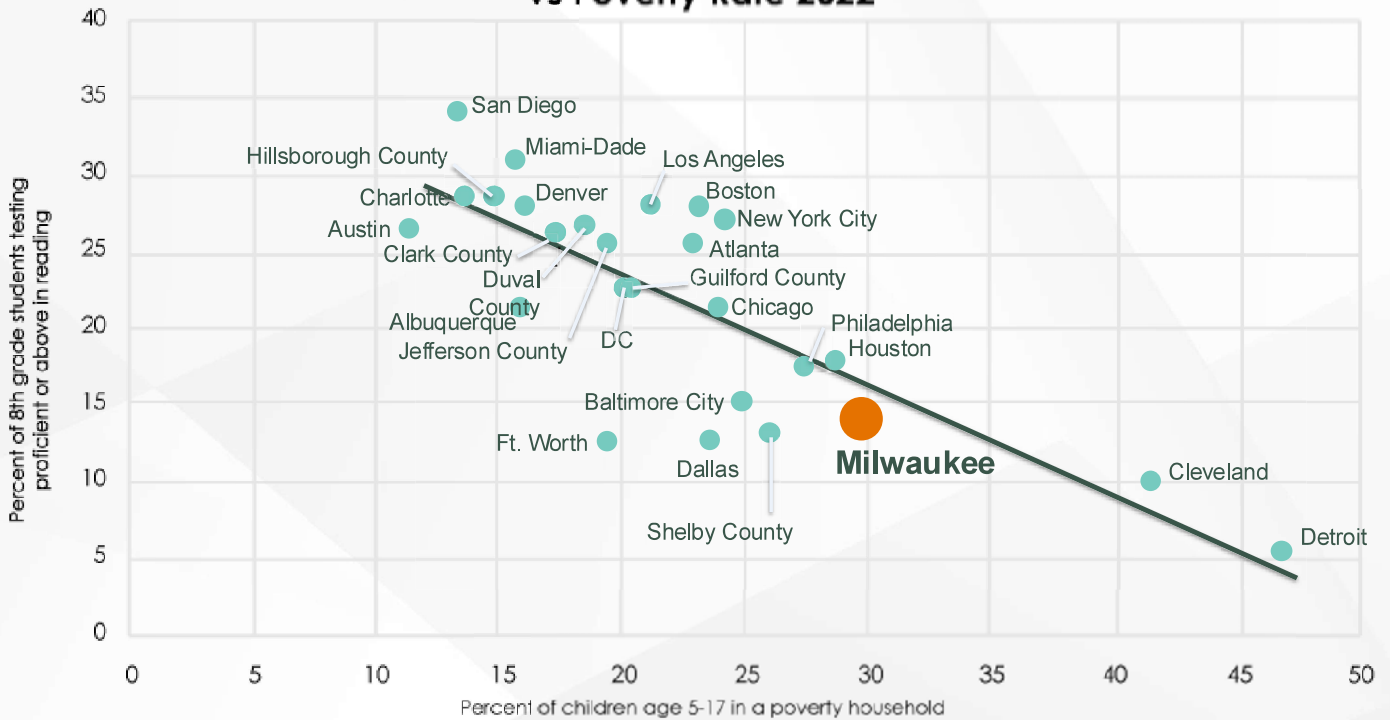


Charter

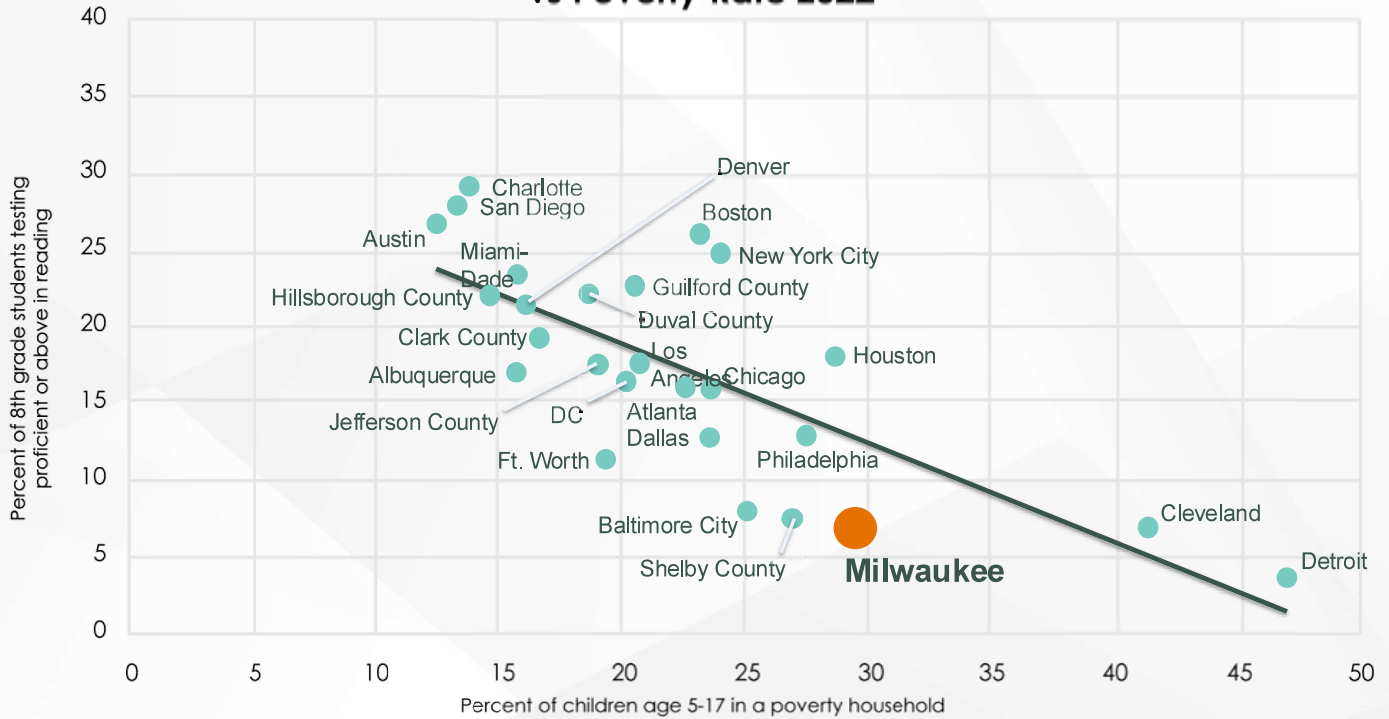
Adjusted Cohort Graduation Rate vs. Poverty Rate - 2022



8th grade reading - % Proficient or Above vs Poverty Rate 2022



8th grade Math - % Proficient or Above vs Poverty Rate 2022



MMAC

M7 REGION: COMPETITIVE POSITION

STRENGTHS

- High household income
- Proximity to Chicago
- Manufacturing pedigree; high productivity
- Significant base of large, global companies
- Resiliency

WEAKNESSES

- Stagnant population growth
- Competing talent destinations nearby (Chicago and Madison)
- Milwaukee K-12 Education
- Lack of mid-income employment opportunities
- Low percentage of residents with 4-year degree

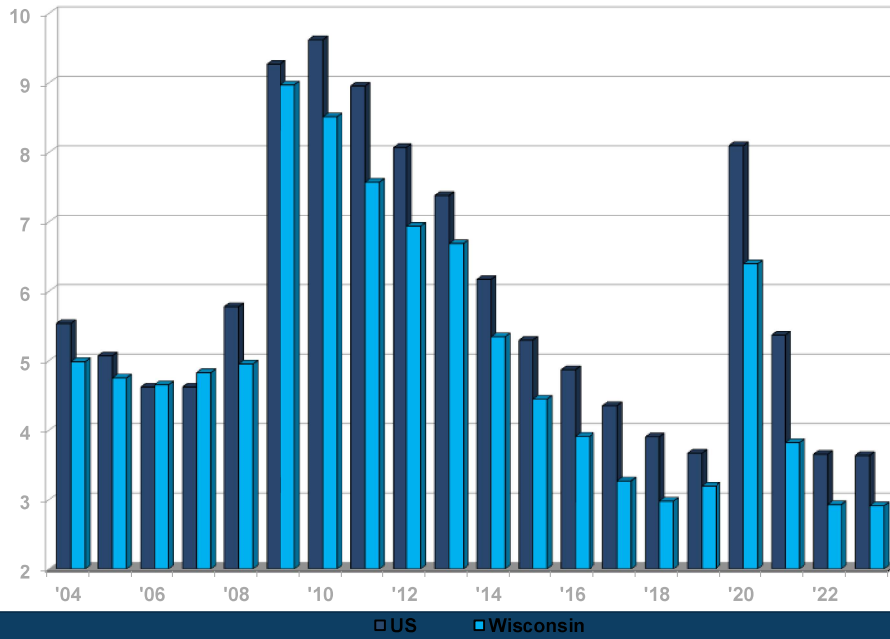
OPPORTUNITIES

- Microsoft – AI Leadership
- Further migration from Chicagoland (i.e., Milwaukee as a Midwest talent destination)
- Align postsecondary engineering schools with company needs

THREATS

- Continued loss of production jobs
- Rise of Madison
- Tilting of U.S. industrial landscape to the south
- Misalignment of global growth sectors with regional assets

US to Wisconsin Unemployment Rates
Percent

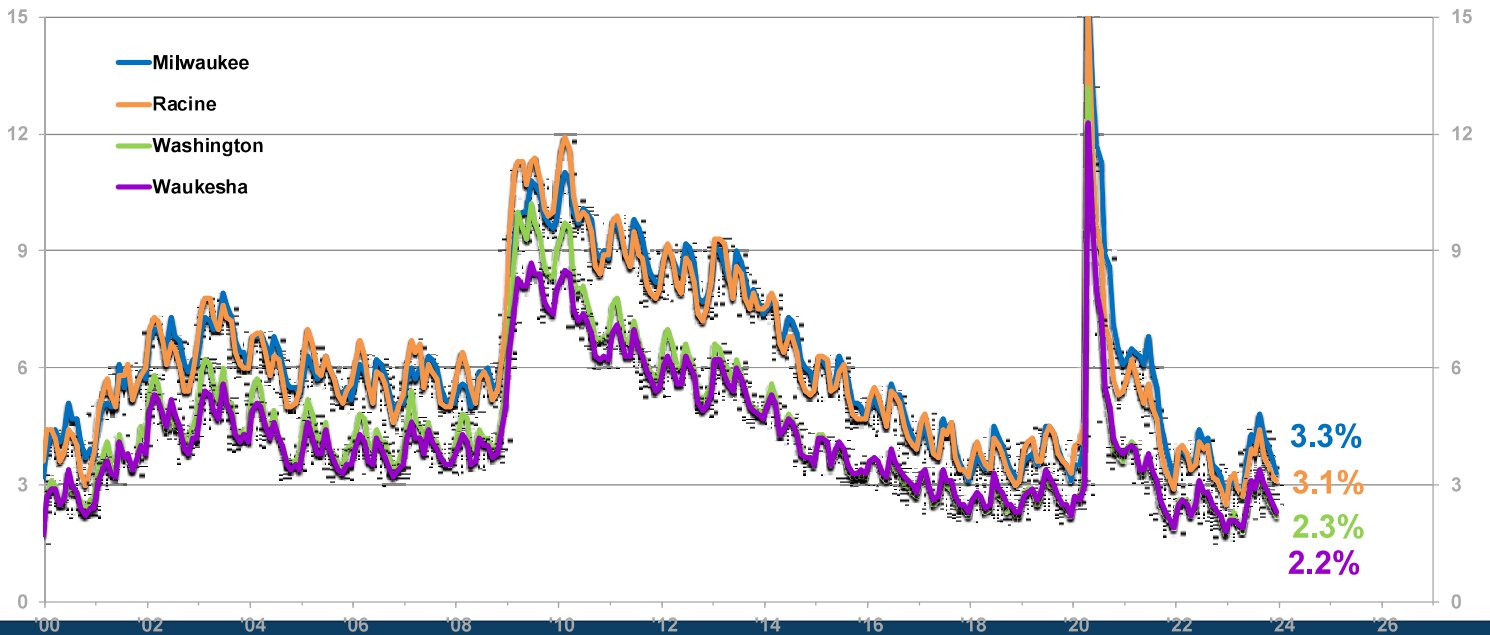


December 2023

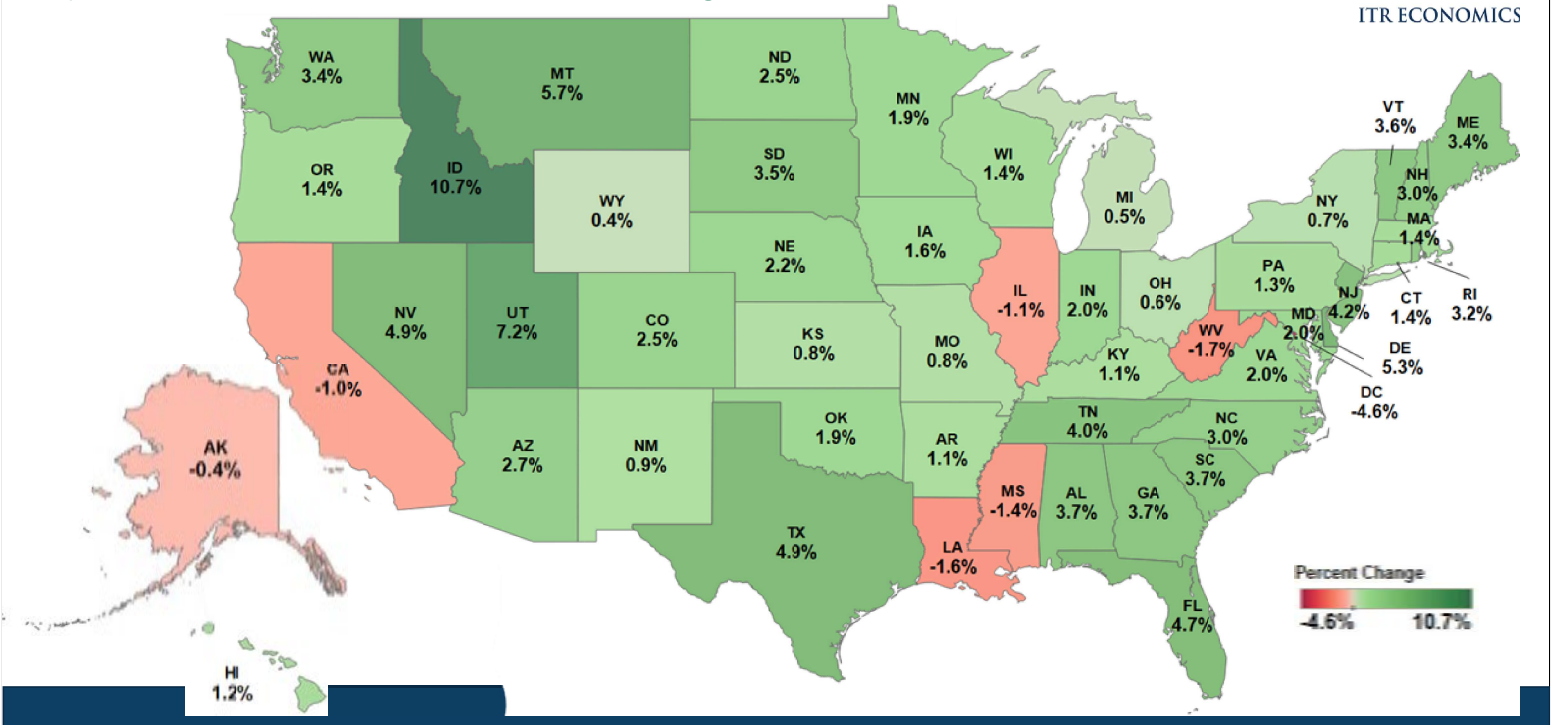
US 3.7%

WI 3.3%

County Unemployment Rates
Raw Data, Percent



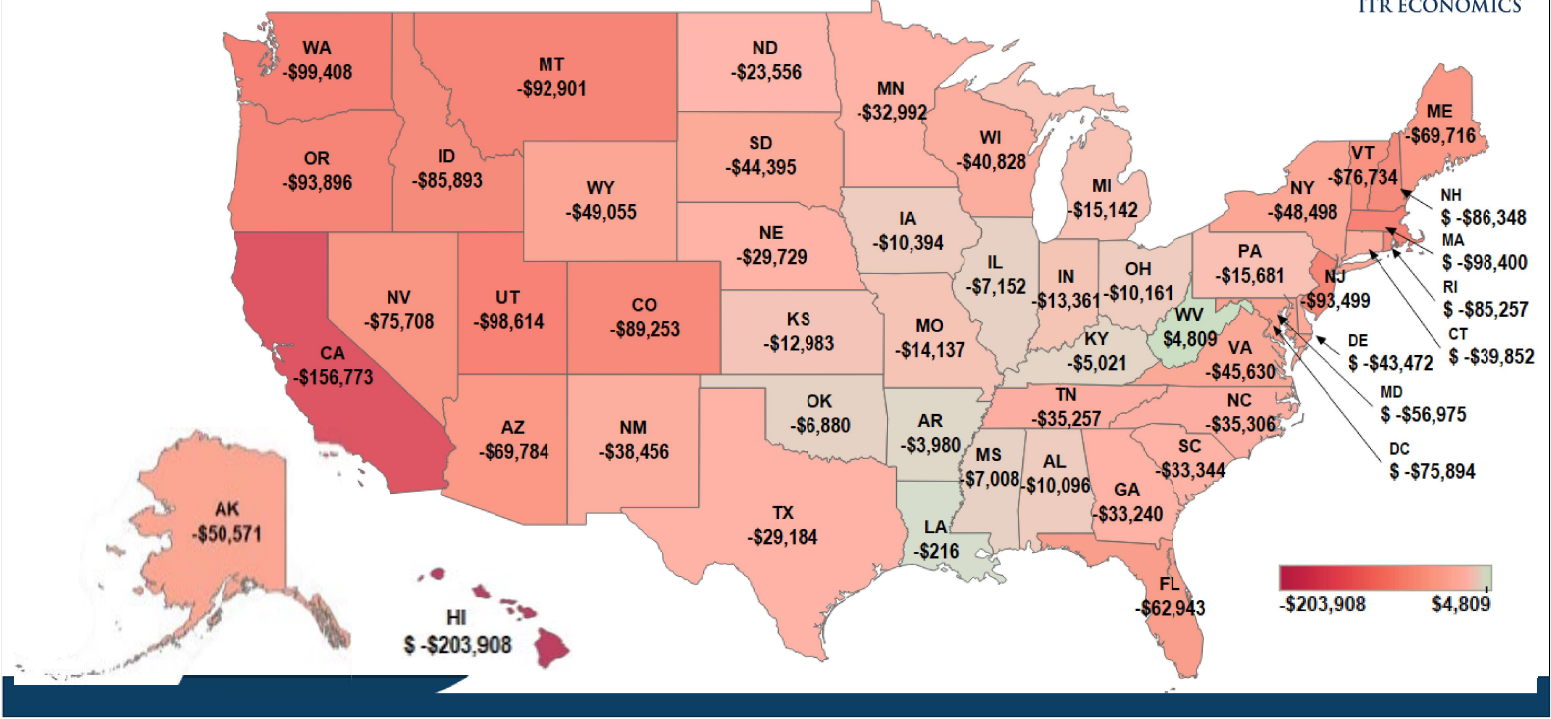
Population Growth 2018 – 2022, Percent Change



Percent Change from Population Estimates 2018 to 2022

<u>Area</u>	<u>Growth Rate</u>
Milwaukee County	-3.0%
Waukesha County	2.0%
Ozaukee County	4.4%
Washington County	1.7%
Racine County	-0.3%
Kenosha County	-0.7%
Walworth County	1.8%
United States Total	2.0%

Average Household Income Surplus or Deficit to Income Needed to Afford an Average Priced Home



9:35 – 10:35 a.m.

Employment Law Updates

Geoff Trotier, J.D., *Partner, Husch Blackwell LLP*

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Employment Law Update

For Wisconsin Institute of Certified Public Accountants

Geoff Trotier

Artificial Intelligence

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2

AI in Hiring



- Support efficiency and decrease costs
 - Screening applications/resumes
- Increase objectivity and lower biases
- Use algorithm to determine where more resources or specific staff is needed

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3

AI in Hiring: Risks and Pitfalls

- AI can perpetuate bias, rather than eliminating it
 - Fairness and bias are current enforcement area focuses for EEOC
 - Takes intentionality and effort to spot bias and correct it in AI
 - Machine learning – the way AI learns by using statistical models and algorithms – may contribute to discrimination based on protected characteristics

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AI in Hiring: Risks and Pitfalls

- Potential violations of antidiscrimination laws
 - ADA, Title VII, ADEA
 - Employer, not vendor, liable for discrimination
 - Liability extends to organization or group that created and/or implemented AI program on employer's behalf

AI in Hiring: Best Practices

EEOC recommends alerting potential job applicants that AI is used in hiring process

Directly communicate to applicants that reasonable accommodations are available

Screen AI vendors to ensure programs do not cause disparities in selection rate



Developing Effective AI Use Policies

- Not one size fits all
- Enterprise v. departmental guidelines
- Acceptable v. prohibited uses
- Transparency requirements (approval, disclosure)
- Confidentiality
- Content ownership
- Regular updates
- Cross-departmental collaboration



Bytes and Boundaries: Why You
Need an Employee AI Use Policy
(Husch Blackwell)

7

DEI Legal Landscape

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Legal Landscape for DEI Plans

Students for Fair Admission, Inc., US Supreme Court (2023)

- Held that the use of race conscious college admission programs to increase diversity violate the Constitution's equal protection clause.
- Chief Justice Roberts described racial classifications as simply too "pernicious to permit."
- Justice Gorsuch wrote that Title VI and Title VII codify a categorical rule of individual equality without regard to race.
- The decision has resulted in greater scrutiny of the lawfulness of voluntary affirmative action programs and DEI plans that seek to increase diversity.

Legal Landscape: Gender-Based Pay Discrimination Against Men

- In 2022, EEOC filed a complaint in federal court against the Maryland Department of Transportation on behalf of a male employee
- Allegations that male employee was paid less than female employees who followed him in the same community relations role; and female employees who held similar roles in different districts
- No factor supported unequal pay; factors actually supported that the male employee should have been paid more
- \$40,000 settlement with EEOC

Legal Landscape: Challenge to Diverse Slate Hiring Policies

- Rooney Rule: named after Dan Rooney, owner of Pittsburgh Steelers and former chair of NFL diversity committee, established a rule requiring teams to interview at least one or more diverse candidates when hiring for a head coach position.
- On 2/6/24, America First Legal requested EEOC investigate NFL for its use of the Rooney Rule claiming that it permits race and gender to be considered when organizing candidate pools in violation of Title VII.
- AFL similarly has filed complaints against private corporations for selecting candidates partially due to a diverse slate policy.

Takeaways and Programs at Risk

- It is unlawful to discriminate against one group (race,/national origin and gender) to protect another group (race/national origin and gender).
 - Avoid numeric goals (unless employer is a federal contractor) and timelines for achieving diversity goals.
 - Understand that changes to composition with respect to diversity within roles takes time, if done properly.
 - The employer's task is to hire the most qualified candidate and to conduct robust outreach.
 - Do not reward executives with bonuses for meeting diversity goals unless the means for achieving the goals are lawful and non-discriminatory.

Legal Landscape: Conclusion

- DEI Plans are under heightened scrutiny
- It's important to understand the reason you are taking actions under a DEI plan.
- It's crucial that any action taken is accomplished lawfully.



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The Fall of *Chevron*

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Overview of *Loper Bright v. Raimondo*

Loper Bright Enter. v. Raimondo

- Decided on June 28, 2024

Seismic Shift in Administrative Law

- Dismantles federal agencies' authority under *Chevron U.S.A., Inc. v. Natural Resources Defense Council, Inc.*
- Potentially unravels existing regulations
- Could reshape the regulatory landscape for years to come



Chevron Deference Doctrine

- *Chevron* Deference
 - Established by the Supreme Court in *Chevron* case
 - Compels federal courts to defer to federal agency's interpretation
- Application of *Chevron* Deference
 - Applies when statutory language is ambiguous
 - Court must uphold agency's interpretation if reasonable
- Impact on Rulemaking
 - Grants broad authority to federal agencies
 - Influences regulatory areas like labor, environmental protection, and public health

Greater Scrutiny of Agency Regulations

Greater Scrutiny of Agency Regulations

- Court will independently interpret statutes
- Ensure regulatory agency acts within delegated authority

Long-term Effects on Federal Agencies

- Expect greater judicial scrutiny
- When issuing, defending, and enforcing regulations



Reliance on Detailed Administrative Records



Importance of Detailed Administrative Records

- Agencies need to maintain comprehensive records
- Records demonstrate expertise and justify actions

Role of Expert Testimony

- Expert testimony supports agency decisions
- Provides credibility and authority

Thorough Explanations of Decisions

- Agencies must explain their decisions clearly
- Helps in demonstrating expertise and justifying actions

Prior Decisions Still Stand

- Supreme Court's Clarification
 - *Loper Bright* decision does not automatically overturn past precedents
 - Existing regulations and interpretations upheld by prior courts remain valid
 - Past precedents remain valid unless specifically challenged and overturned

State-Level Actions

New Importance of State-Level Action

- Increased significance due to reduced federal agency power
- Advocacy groups and state agencies

State-Based Initiatives

- Example - Addressing extreme temperatures in workplaces
- Providing protections weakened at the federal level



Future of Non-Competes

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Update on the FTC Ban on Non-Competes

- On April 23, 2024, the Federal Trade Commission (FTC) voted 3-2 to issue a final rule that would ban virtually all non-compete agreements for nearly all workers.
- The final rule was scheduled to become on September 4, 2024.



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Status of the FTC Rule

- On August 20, 2024, the U.S. District Court for the N.D. of Texas in *Ryan, LLC v. FTC*, held that the FTC's non-compete rule is unlawful, and ordered that the FTC's non-compete rule shall not take effect on September 4, 2024, or thereafter.
 - Prevents the FTC from enforcing the rule against any company nationwide.
- The FTC may appeal the decision to the 5th Circuit.



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More Efforts to Restrict Non-Competes

- Department of Labor
- Potential Changes in Administration
- New State Legislation



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Best Practices and Considerations

- Take inventory of your non-competes.
 - Confirm existing non-competes contain reasonable geographic and temporal restrictions and are justified by legitimate business interests.
- Revisit your use of customer non-solicitation, non-disclosure, and confidentiality agreements.
- Maintain your trade secrets.

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Questions?

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10:55 – 11:55 a.m.

Trends in Retirement Plans

Manuel Rosado, MBA, *President & Partner, Spectrum
Investment Advisors*

Trends in Retirement Plans



Presented by: Manuel Rosado, MBA – President | Partner

October 22, 2024

Table of Contents



Key Sections

- Spectrum Update
- 5 Key Trends
 - Service & Consolidation
 - Regulatory (SECURE 2.0)
 - Expanded investment alternatives
 - Tax strategies
 - Financial wellness
- Summary & Q&A

Spectrum Update

About Spectrum Investment Advisors



\$4.43 Billion
in assets as of 9/30/2024¹

29 years
as Professional Retirement Plan Advisors

CFP® · CFA® · AIF® · CEBS® · CPFA™ · CPFC® · CRC® · GFS® · NQPA™ · Series 65

Registered Investment Advisor with the SEC²

¹ \$4.03 billion under advisement, \$395 million under management.
² Registration with the SEC does not imply a certain level of skill or training.

Core Services



Retirement Plans

Confidently design and manage a powerful plan.

- Plan design consulting
-
- Fiduciary training
-
- Investment monitoring
-
- 401(k) | 403(b) | 457
-
- Corporate | Non-Profit



Financial Wellness

Drive engagement and productivity.

- Targeted education
-
- Individual advice
-
- Customized action plan
-
- One-on-one meetings
-
- Digital & printable resources



Wealth Management

Turn financial goals into reality.

- Holistic planning
-
- Asset management
-
- Income strategies
-
- Rollovers | IRAs
-
- Individual | Family | Trust



Awards and Recognition

Industry Leaders

We are recognized as industry leaders for our work in the board room and break room.



RECOGNIZED BY
MANAGE HR

Great Place to Work

Our award-winning workplace culture isn't just about us, it's about the ripple effect it creates for our clients. A collaborative, happy team enables us to serve our clients better and help them reach their goals.

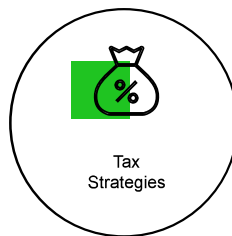
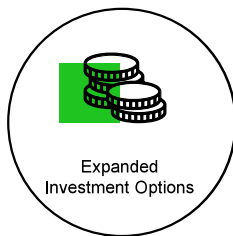
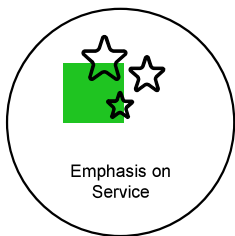


Spectrum was named a 2024 Top DC Advisor Team by the National Association of Plan Advisors (NAPA) on March 18, 2024. The award is based on self-reported assets under advisement as of December 31, 2023. | Spectrum was named a 2023 Top Retirement Planning Services Provider in February 2023. These awards were based on data from 2022 respectively. Spectrum paid a licensing fee for use of this designation and logo. | Spectrum was named a winner by the National Association for Business Resources for the 2024 Milwaukee's Best and Brightest Companies to Work For® on March 14, 2024. Responses to the survey were based on the time period of June 11, 2023 through December 20, 2023. Spectrum paid a licensing fee for use of this logo. | Spectrum Investment Advisors was named a winner in the micro category for the Milwaukee Business Journal's 2024 Best Places to Work. The rating was given on September 11, 2024 and results were based on the year 2024. Spectrum paid a licensing fee for use of this logo. | Spectrum was named a 2024 Best Places to Work for Financial Advisors by InvestmentNews February 28, 2024 and was also recognized for this on achievement in 2020, 2022, & 2023. These awards were based on data from 2022 and 2023 respectively. Spectrum paid a licensing fee for use of this designation and logo. | Spectrum was named a Best Place to Work in Money Management for 2022 by Pensions & Investments (P&I). The rating was awarded on December 12, 2022 and previously on December 6, 2021, December 2, 2020, December 9, 2019 and December 4, 2017. The recognition is based on data from 2022, 2021, 2020, 2019 and 2017 respectively. Spectrum paid a licensing fee to Pension & Investments for use of this designation and logo.



Plan Trends

Retirement Plan Trends



- Service – Shift from cost-driven decisions to seeking expertise and quality services
- SECURE 2.0 – New provisions for plan sponsors to consider and adapt
- Expanded Investments – CITs, guaranteed income products
- Integration of Health & Wealth – Tax benefit and investment opportunity for Health Savings Accounts
- Financial Wellness – Employees value guidance and access to financial planning

Recordkeeping Platforms

TOP 40 DC RECORD KEEPERS BY ASSETS In millions, as of December 31, 2022

RANK	RECORD KEEPER	ASSETS	PLANS	PARTICIPANTS
1	Fidelity Investments	\$2,874,561	34,902	29,947,387
2	Empower	\$1,231,212	80,401	16,830,193
3	Alight Solutions	\$1,162,944	228	11,713,594
4	TIAA	\$643,049	23,429	6,718,095
5	Vanguard	\$624,938	32,567	5,989,246
6	Voya Financial	\$454,218	52,479	6,654,060
7	Principal Financial Group	\$449,988	46,769	11,200,948
8	Ascensus	\$253,475	95,289	4,377,914
9	Bank of America Corporation	\$247,058	1,013	4,853,266
10	T. Rowe Price	\$221,562	7,695	2,304,004
11	Schwab Retirement Plan Services, Inc.	\$215,978	1,178	1,547,339
12	John Hancock	\$180,816	53,838	3,213,653
13	Transamerica Retirement Solutions LLC (Trans)	\$174,176	21,408	3,392,064
14	Nationwide Financial	\$165,559	31,683	2,705,652
15	ADP	\$100,648	85,881	3,706,475
16	Capital Group, home of American Funds	\$89,976	65,959	1,423,351
17	Lincoln Financial Group	\$88,735	22,385	1,661,799
18	Corebridge Retirement Services*	\$74,670	23,851	1,992,209
19	MissionSquare Retirement (formerly ICMA-RC)	\$59,743	6,810	1,514,072
20	OneAmerica	\$57,272	10,748	1,109,338

Spectrum Investment Advisors' recordkeeping partners

Source: PLANSPONSOR, 2023 Recordkeeping Survey - June 30, 2023
 *Through its Retirement Services recordkeepers VALIC & VALIC Retirement Services Company (VRSCO)
 **This provider is not included in the 2023 PLANSPONSOR Recordkeeping Survey - data as of 12/31/22
 Source: AssociatedBank Johnson Bank

RANK	RECORD KEEPER	ASSETS	PLANS	PARTICIPANTS
21	Paychex, Inc.	\$41,291	109,096	1,832,377
22	The Standard	\$40,942	6,083	1,101,298
23	Milliman, Inc.	\$38,597	1,002	967,806
24	Equitable	\$38,566	25,394	1,070,563
25	NWPS	\$37,117	959	416,811
26	Alerus Retirement and Benefits	\$30,369	7,116	367,351
27	PCS Retirement	\$23,615	19,689	418,572
28	EPIC Retirement Plan Services	\$20,200	5,322	273,264
29	Mutual of American Financial Group	\$17,369	17,053	637,418
30	Ameritas	\$14,917	8,228	262,200
31	CUNA Mutual Group	\$14,240	7,932	220,188
32	GuideStone Financial Resources	\$13,534	2,061	218,690
33	Sentinel Benefits & Financial Group	\$10,104	1,307	144,567
34	BOK Financial	\$8,428	664	140,860
35	J.P. Morgan Asset Management	\$8,215	1,658	146,777
36	Guideline	\$7,349	37,306	674,266
37	Associated Bank**	\$5,219	457	74,833
38	July Business Services	\$4,801	3,316	73,286
39	Human Interest	\$3,453	10,728	367,532
40	Correll Co.	\$2,007	743	69,000

Johnson Bank**

TOTAL \$9,752,081 964,869 132,348,385



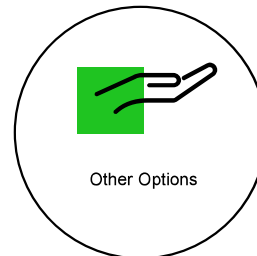
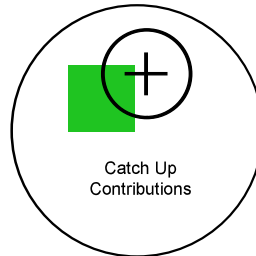
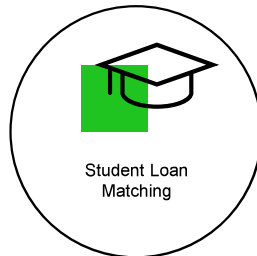
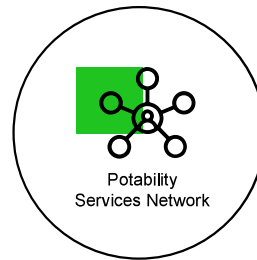
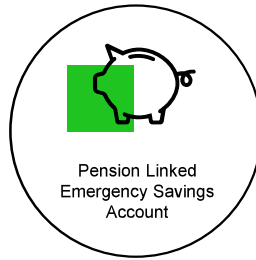
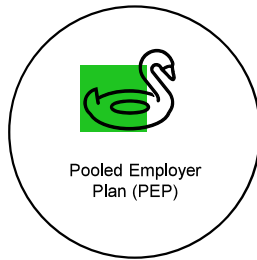
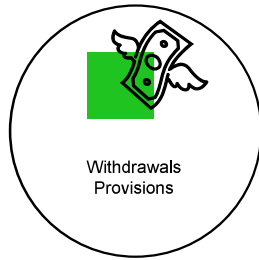
SECURE Act 2.0

Keeping Plan Sponsors Informed

- SECURE Act 2.0 Summary
- Signed into law December 29, 2022
- Expands Coverage and Increase Retirement Savings
- Improve Retirement Outcomes
- Ease of Administration
- Provisions effective 2023-2027



SECURE Act 2.0



Withdrawal Provisions

- Increased Force Out Limit to \$7,000
- Self-Certification for Hardship Withdrawals
- Penalty-Free Withdrawals
 - Victims of Domestic Abuse
 - Federally Declared Disasters
 - Terminal Illness
 - Emergency Savings
- All of the above are Optional Provisions



Pooled Employer Plans (PEPs)

- Allows multiple unrelated businesses to share a 401(k) plan
- PEPs are managed by a pooled plan provider (PPP)
- One investment lineup across all plans typically managed by a 3(38) fiduciary manager
- Providers can allow for each company to set their own plan parameters
- One plan audit
- Requires termination of existing plan and starting a new plan (auto features)



Source: Secure Act 2.0

13

Emergency Savings Account

- Short-term emergency savings accounts linked to retirement plan provider
- May automatically enroll at a rate of up to 3% of compensation (fiduciary safe harbor for automatic enrollment)
- Contributions are capped at \$2,500 (after-tax contributions only)
- Invested in cash, interest bearing deposit accounts, and principal preservation accounts

- Participants must be allowed to take at least one withdrawal per month, and the first four withdrawals per year cannot be subject to fees
- There cannot be minimum contribution or balance requirements



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Portability Services Network

- Automatic movement of a terminated participant's small balance account (increase to \$7,000) from a former employer's retirement plan to an active account at a new employer's plan
- Network of initial providers participating (Alight, Empower, Fidelity, Principal, Vanguard, TIAA) with more to join
- Plan sponsors chose to opt in to this service – different process for each provider
- Participants pay for the service
 - One-time transfer fee: Maximum charge is \$30, but accounts with less than \$600 will be charged 5% of balance, and accounts with less than \$50 will be processed at no charge
- Issues with Roth balances



Tax Credits

Tax Credits for New Plans

- Up to 50 employees can claim up to 100% of the start-up administration costs (max \$5,000) for 3 years.
- Up to 100 employees, 100% tax credit for employer contributions up to \$1k per employee making <\$100k for 1 year then phased out by 25% over the next 3 years.

New Plans Require Automatic Enrollment and Escalation (2025)

- Auto enroll deferral amount between 3 – 10%
- Auto increases by 1% up to 10 – 15% per year.





Matching Options

Matching Student Loans

- Option to apply the matching formula to the student loan repayment amount and deposit the match into the workplace retirement savings plan

Roth Employer Contributions

- Option to allow matching or nonelective contributions as Roth contributions
- Applicable only to vested contributions



Catch-Up Contributions

Catch-Up Contributions (2025)

- Employees between the ages 60 - 63 years will be allowed to increase their catch-up contribution to the greater of 150% of the normal catch-up amount or \$10,000 in 401(k), 403(b), and governmental plans

Catch-Up Contributions must be Roth for certain savers (2026)

- For participants over age 50 earning more than \$145,000, catch-up contributions need to be made as Roth contribution



Other SECURE 2.0 Provisions

Paper Statement Mandate (2026)

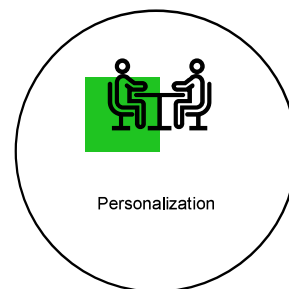
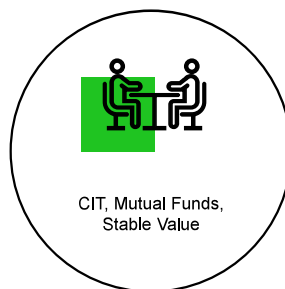
- For defined contribution plans-401(k) and 403(b)-must provide at least one paper statement/year unless participant opts out.

Improving Retirement Plan Access for Part-Time Workers (2025)

- Long-term, part-time employees who meet the eligibility requirements will be allowed to save through the company's retirement plan.
- The stated eligibility rules are for employees who work for two consecutive 12-month periods during each of which they have at least 500 hours of service.
- Employers are not required to match contributions.



Expanded Investment Options



In-Plan Income Solutions

Designed to convert participant retirement savings into an income stream customized to their individual needs.

Important Factors

\$ Cost

💡 Portability

🔑 Accessibility

👤 Education

New Options Available

- Target date fund series managing the glide path allocations implementing an annuity
- A spend-down strategy and proprietary variable annuity
- Access to an annuity marketplace that offers a wide range of out-of-plan annuity offerings
- Managed accounts with a guaranteed lifetime withdrawal benefit



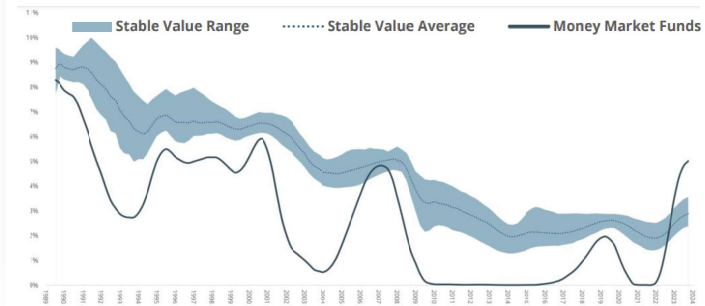
CIT - Collective Investment Trusts

- Similar structure to a mutual fund
 - Pooled investment vehicle from multiple investors in a single portfolio with a specific investment strategy (no tickers)
 - Many investment firms building CIT's that replicate existing mutual funds
 - CITs are regulated by the Office of the Comptroller of the Currency or state banking regulators; mutual funds have Securities and Exchange Commission (SEC) registration requirements
- CITs are administered by a bank or trust company
- Only available to qualified retirement plans and require a contract
- Can have negotiated fee structures based on assets under management



Stable Value Funds Overview

What are they?	Are guarantees involved?	Are they risk-free?
Low risk, capital preservation investment options available to retirement plans	Yes, generally return of principal and may include minimum crediting rate (e.g. 1%)	No, ultimately the risk is in the strength of the party providing the guarantee
Are participant withdrawals restricted?	Restrictions on plan level withdrawals?	Other Restrictions?
No, participants are offered full daily liquidity	Yes, a full plan withdrawal or exchange may require 12-24 months notice and/or may be subject to an MVA	Plans with a stable value fund are generally not allowed to offer money market or short-term bond funds
What are the fees?	Are they common in retirement plans?	
Stable value fund fees are generally comparable to an actively managed mutual fund	75% of 401(k) plans offer a stable value fund (<i>Alight Solutions Trends & Experience in DC Plan Survey</i>)	



Stable value funds have a history of providing continuously positive returns throughout both times of rising interest rates and challenging periods such as the dot-com bubble, financial crisis and COVID-19.

Source: Stable Value Association, Reliance MetLife, as of 3/31/2023
 "Stable Value" is represented as a composite of the historical returns derived from data collected by the SVIA for its four stable value market segments (individually managed accounts, pooled funds, insurance company general accounts, and insurance company separate accounts). Historical return data is presented as both a range (with the top and bottom deciles removed) and as an average.

Data from 1989 to 2008 was collected from stable value managers to form a composite for use in research conducted by David Babbel and Miguel Herce, and data from 2008 to present is sourced from the SVIA's Quarterly Characteristics Survey with the period from 2008 to 2015 derived from reported crediting rate data. Returns are gross of stable value management fees but net of fees necessary to deliver the product, such as stable value wrap, third party fixed income management, trust, custody, and fund administrative fees. This composite is composed of varying types of stable value products and, as such, should not be used as a comparison to a specific product. "Money Market" is a simulation of money market returns from the iMoneyNet MFR Money Funds Index. Returns illustrated are gross before any fees. Past performance is not indicative of future results.

Personalization of Investments

Managed Accounts

- Professional money manager on behalf of an investor
- Online questionnaires and account aggregation tools to provide more specific advice
- Additional fees: manager, recordkeeper, advisor

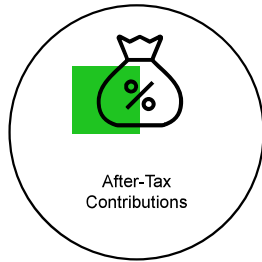
Target Date Funds

- Multiple risk levels of target date fund glide paths

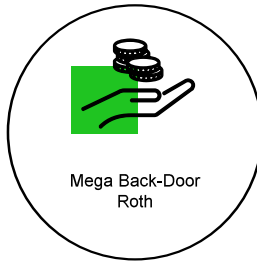
AI

- Use of AI tools to a personalized online experience
- Personalized communication

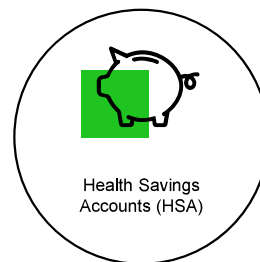
Tax Strategies



After-Tax Contributions



Mega Back-Door Roth



Health Savings Accounts (HSA)

- After-Tax – Allows for contribution levels beyond annual contribution limits
- Mega Back-Door Roth – Convert after-tax contributions to Roth account (401k or IRA)
- HSA – Triple tax-free savings account devoted to tackling health-care costs



After-Tax Contributions & Roth Conversion



- Plan must allow for After-Tax contributions & in-plan Roth conversions
- Note: Non-discrimination testing applies to after-tax contributions part of ACP test



Integration of Health & Wealth

Health Savings Account

- Requires high-deductible health insurance plan
- Contributions are not subject to federal taxes (and most state)
- Earnings in the account grow tax-free
- No expiration date so money is available for future health expenses
- Withdrawals for medical related expenses are tax-free
- Ability to implement investment options for long-term potential growth
- Many 401(k) providers offering these services and matching investment lineup

- Contribution limits:
 - 2024: \$4,150 for individuals and \$8,300 for family
 - 2025: \$4,300 for individuals and \$8,600 for family
 - \$1,000 catch-up for those over Age 55 and not enrolled in Medicare



Managing Financial Stress

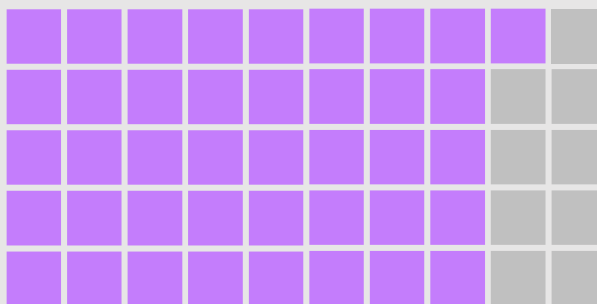
Financially healthier employees are likely to be happier and more productive.

8 in 10

worry about their finances at work

3.3 hours

is the average time spent on finances at work each month



82% say financial wellness helps reduce financial stress

78% are more loyal to an employer who offers financial wellness

70% say access to financial wellness resources increases productivity



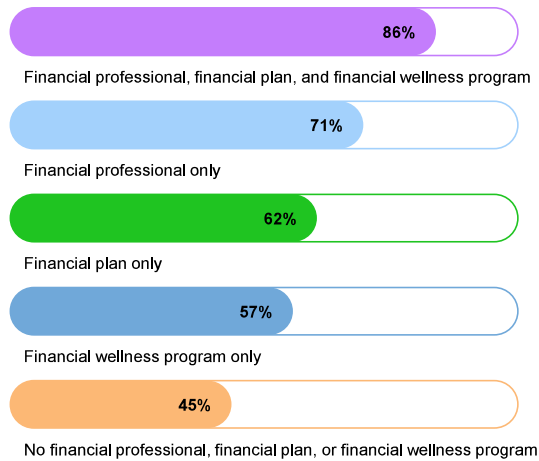
How to Build Financial Confidence

Primary drivers of financial confidence:*

- Work with a financial professional
- Have a financial plan
- Access to workplace financial wellness program
- Unbiased financial advice on a wide range of topics**

Individuals who work with a financial professional are **3x more likely** to report ahead-of-schedule retirement savings.*

Employees feel most confident when they have access to all.*



*John Hancock. "Financial Stress Survey." 2023.

**Harvard Business Review. "It's Time to Prioritize Employees' Financial Health." 2 Jan. 2024.



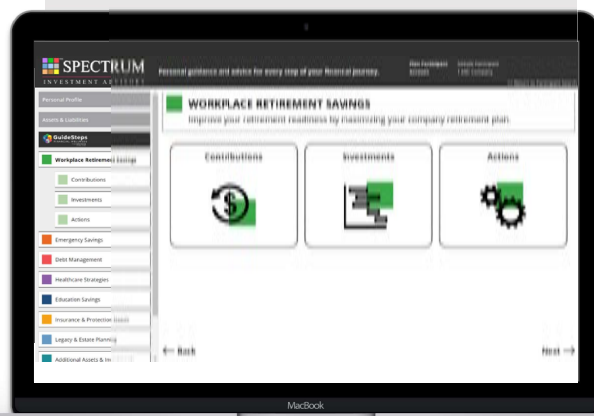
Spectrum's Financial Wellness Program



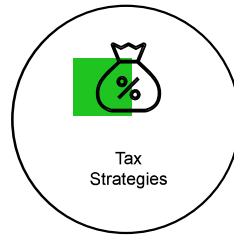
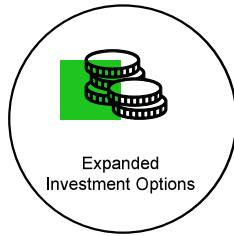
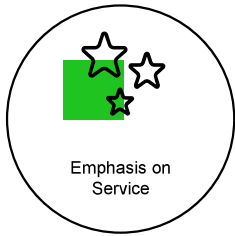
Our holistic program offers fiduciary advice on a wide range of topics, custom action plans, and dynamic resources.

- Workplace Retirement Plan
- Emergency Savings
- Debt Management
- Healthcare Strategies
- Education Savings
- Insurance & Protection Needs
- Legacy & Estate Planning
- Additional Assets & Investments

Spectrum's own proprietary technology was built to maximize communication and track progress



Retirement Plan Trends



- Service – Shift from cost-driven decisions to seeking expertise and quality services
- SECURE 2.0 – New provisions for plan sponsors to consider and adapt
- Expanded Investments – CITs, guaranteed income products
- Integration of Health & Wealth – Tax benefit and investment opportunity for Health Savings Accounts
- Financial Wellness – Employees value guidance and access to financial planning













Q&A

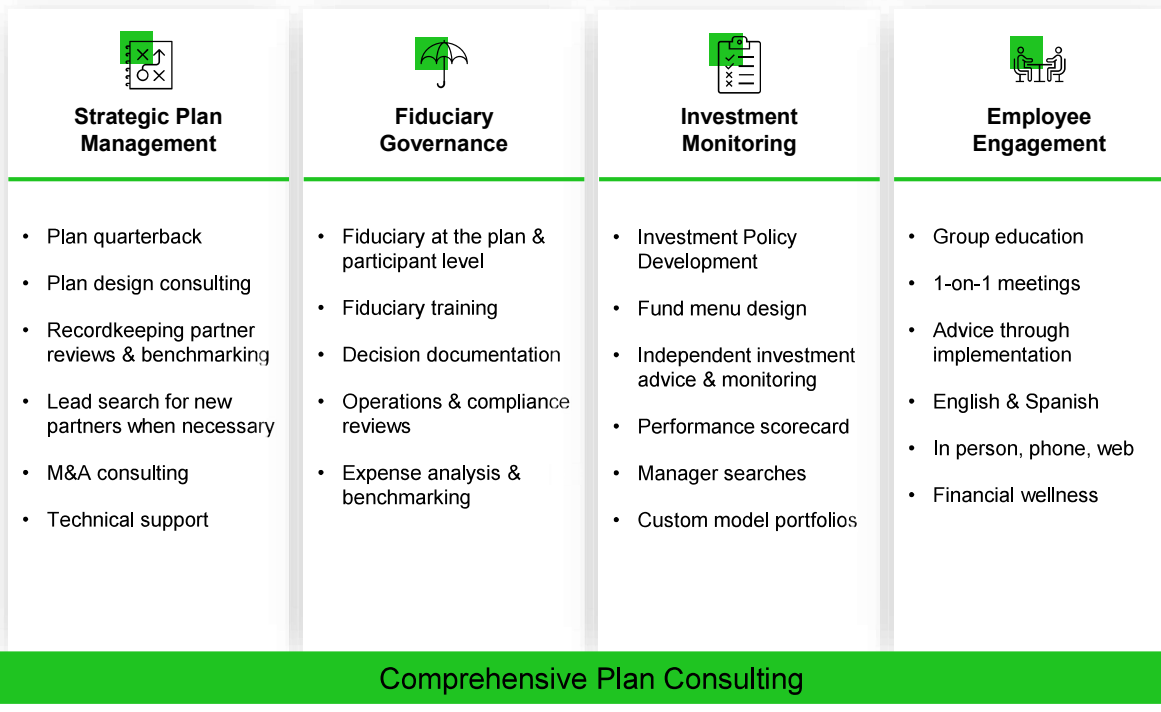
Manuel Rosado, MBA
President | Partner
mrosado@spectruminvestor.com
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www.spectruminvestor.com

Additional information

Guiding Principles

 <p>We are Understanding</p> <p>By involving and connecting with clients, partners, and colleagues at a deeper level</p>	 <p>We Are Engaging</p> <p>By delivering a fulfilling experience and thinking more like a partner than a provider</p>	 <p>We are Passionate</p> <p>By approaching daily work with energy and enthusiasm to make a positive impact in people's lives</p>	 <p>We Act With Integrity</p> <p>By putting clients first and being guided by strong ethical principles</p>	 <p>We Are Accountable</p> <p>By acting as a fiduciary, leading by example, keeping everyone informed, delivering results, and embracing growth</p>
 <p>We Live Balanced Lives</p> <p>By being fully present at work and at home</p>	 <p>We Function as a Team</p> <p>By collaborating, trusting each other, and helping others succeed to achieve more</p>	 <p>We Give Back</p> <p>By getting involved in our community and making it a better place to live and work</p>	 <p>We Celebrate</p> <p>By enjoying the ride, honoring accomplishments, and letting happiness shine through</p>	 <p>We Think Long-Term</p> <p>By stewarding resources and making thoughtful decisions that will benefit future generations</p>

Meeting Your Needs



Exceeding Expectations

Why Work With an Advisor?

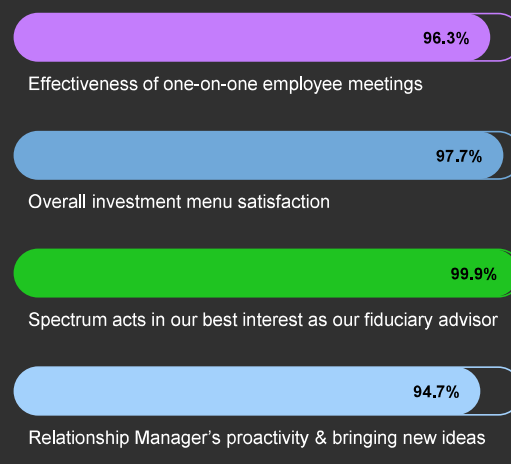
A national survey* annually assesses what plan sponsors are looking for in an advisor.

The top 4 reasons include:

- Financial Wellness & Employee Engagement
- Investment Menu Insights
- Compliance & Regulatory Updates
- Proactive Plan Performance Suggestions

2024 Spectrum Client Survey

We asked our clients to rank their satisfaction in those key areas:



* Plan Sponsor Attitudes Survey, 2023 & 2022.

The survey results presented above were provided by current clients of Spectrum Investment Advisors. All clients were invited to voluntarily participate in a satisfaction survey; however, no cash or non-cash compensation was provided in exchange for their participation. The results presented may not reflect the sentiments of all clients, and we encourage you to independently evaluate our services based on additional criteria that you deem appropriate.



SECURE Act 2.0

Effective 2023

Non-Elective Provisions:

Required Minimum Distributions

Individuals can wait until age 73 (previously 72) to take a mandatory retirement savings withdrawal. Starting 2033, the RMD age is increased to 75 years old.

Required Minimum Distribution Excise Tax Reduction

Missed RMD penalty is reduced from 50% to 25% and if the failure is corrected in a timely manner, the penalty is reduced to 10%.

Tax Credits for New Plans

For new retirement plans, companies with up to 50 employees can claim up to 100% of the start-up administration costs (max \$5,000) for 3 years. Plans up to 100 employees, 100% tax credit for employer contributions up to \$1k per employee making <\$100k for 1 year then phased out by 25% over the next 3 years.

Expand Self-Correction Program

Allows for easier plan corrections of loans through the Employee Plans Compliance Resolution System ("EPCRS").

Unnecessary Notices

Employers are no longer required to provide certain intermittent ERISA or Code notices to unenrolled participants provided they send an annual reminder notice of the employee's eligibility and any otherwise required documents requested by the employee.

IRA Charitable Distributions (known as QCDs)

The IRA charitable distribution provision is expanded to allow for one-time \$50,000 distributions to charities. Annual IRA charitable distribution limit of \$100,000 is now indexed for inflation.

PEPs – 403(b)

Are now available.

Elective Provisions:

Small Incentive for Contribution to a Plan

Employers can now offer low-dollar amount incentives, such as gift cards, as long as they are not paid from plan assets.

Roth Employer Contributions

Employers may now choose to allow matching or nonelective contributions as Roth contributions. Applicable only to vested contributions. Additional guidance expected for tax implications.

Military Spouses

Creates a new, nonrefundable income tax credit for eligible small employers that employ military spouses and allow them to participate in the employer's defined contribution plan, subject to special eligibility and vesting requirements. The tax credit is \$200 per participating non-highly compensated military spouse plus 100% of employer contributions, up to an additional \$300 per employee, for up to three years.

Hardship Distributions – Self Certify

Allows a plan administrator to rely on an employee's self-certification that they have had a safe harbor event that constitutes a deemed hardship for purposes of taking a hardship withdrawal from a 401(k) plan or a 403(b) plan. The administrator can also rely on the employee's certification that the distribution is not in excess of the amount required to satisfy the financial need and that the employee has no alternative means reasonably available to satisfy the financial need.

Hardship Distributions – 403(b) Plans

May now include employer contributions.

Penalty-Free Withdrawals: Terminal Illness

Terminally ill individuals may withdraw retirement funds without being subject to the 10% early distribution tax penalty.

Penalty-Free Withdrawals: Federally Declared Disasters

Up to \$22,000 withdrawal for affected individuals and are not subject to the 10% early distribution tax penalty. (Retroactively effective to January 26, 2021.)



Source: Secure Act 2.0

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SECURE Act 2.0

Effective 2024

Non-Elective Provisions:

Required Minimum Distributions for Roth Accounts

Roth accounts within 401(k) plans, 403(b) plans and 457 plans are no longer subject to required minimum distribution (RMD) rules.

Retirement Lost and Found

Directs the DOL to create an online searchable "Lost and Found" database to collect information on benefits owed to missing, lost or non-responsive participants and beneficiaries in tax-qualified retirement plans and to assist such plan participants and beneficiaries in locating those benefits.

Starter 401(k) Plans – A new type of 401(k) Plan

Creates two new plan designs for employers that do not sponsor a retirement plan: a "starter 401(k) deferral-only arrangement" and a "safe harbor 403(b) plan." These plans would generally require that all employees be enrolled in the plan with a deferral rate of 3% to 15% of compensation. The limit on annual deferrals would be the same as the IRA contribution limit (\$6,000 for 2022, with an additional \$1,000 catch-up beginning at age 50). The limit on annual deferrals is \$6,000, with an additional \$1,000 catch-up beginning at age 50, with both limits indexed for inflation.

529 Rollovers

Allows certain assets in a 529 qualified tuition program account maintained for at least 15 years for a designated beneficiary to be directly rolled over on a tax-free basis to a Roth IRA maintained for the benefit of the beneficiary. The rollover is subject to the limits on Roth IRA contributions and the requirement that a Roth IRA owner have includible compensation at least equal to the amount of the rollover. Permitted rollovers would be limited to (1) the aggregate amount of contributions to the account (and earnings thereon) before the 5-year period ending on the date of rollover, and (2) a lifetime limit of \$35,000.

Elective Provisions:

Force-Out Distribution Threshold

Increase force out limit from \$5,000 to \$7,000

Matching Student Loans

Option to apply the matching formula to the student loan repayment amount and deposit the match into the workplace retirement savings plan.

Automatic Portability

Permits retirement plan service providers to offer plan sponsors automatic portability services, transferring an employee's low balance retirement accounts to a new plan when they change jobs.

Pension Linked ("Side Car") Emergency Savings Account (PLESAs)

Permits a plan sponsor to amend its plan to offer short-term emergency savings accounts ("ESAs") as part of a defined contribution plan. ESAs must be funded post-tax with Roth contributions, and participants may be automatically enrolled at a rate of up to 3% of compensation. Contributions are capped at \$2500 (indexed for inflation) or a lower amount determined by the sponsor, and there cannot be minimum contribution or balance requirements. Participants must be allowed to take at least one withdrawal per month, and the first four withdrawals per year cannot be subject to fees. ESAs may be invested in cash, interest bearing deposit accounts, and principal preservation accounts, and there is a fiduciary safe harbor for automatic enrollment. The provision provides for the preemption of state anti-garnishment laws.

Emergency Withdrawals

Allows one penalty-free withdrawal of up to \$1,000 per year for "unforeseeable or immediate financial needs relating to personal or family emergency expenses." The withdrawal may be repaid within three years. Only one withdrawal per three-year repayment period is permitted if the first withdrawal has not been repaid.

Penalty-Free Withdrawals for Victims of Domestic Abuse

Domestic abuse survivors may withdraw the lesser of \$10,000 or 50% of their vested retirement account.



Source: Secure Act 2.0

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SECURE Act 2.0

Effective 2025 & Beyond

Non-Elective Provisions (2025):

Improving Retirement Plan Access for Part-Time Workers (2025)

Long-term, part-time employees who meet the eligibility requirements will be allowed to save through the company's retirement plan. The stated eligibility rules are for employees who work for two consecutive 12-month periods during each of which they have at least 500 hours of service. Employers are not required to match contributions.

New Plans: Automatic Enrollment and Escalation (2025)

All new 401(k) and 403(b) plans implemented after 1/1/23 are required to automatically enroll participants and auto-escalate savings. The employer will set the introductory deferral amount between 3 – 10% and the deferral amount increases by 1% up to 10 – 15% retirement savings per year.

Catch-Up Contributions (2025)

Employees between the ages 60 - 63 years will be allowed to increase their catch-up contribution to the greater of 150% of the normal catch-up amount or \$10,000 in 401(k), 403(b), and governmental plans. For individuals who make more than \$145,000, the catch-up must be a Roth contribution.

Non-Elective Provisions (2026 & 2027):

Plan Amendments (2026)

Plan amendments made pursuant to this Act may be made on or before the last day of the first plan year beginning on or after January 1, 2025. (For calendar year plans, that deadline is 12/31/25.) In addition, amendments under SECURE Act, CARES Act, and Taxpayer Certainty and Disaster Tax Relief Act of 2020 conform to these new dates.

Paper Statement Mandate (2026)

For defined contribution plans-401(k) and 403(b)-must provide at least one paper statement/year unless participant opts out.

Catch-Up Contributions must be Roth for certain savers (2026)

For participants over age 50 earning more than \$145,000, catch-up contributions need to be made as Roth contribution.

Enhance and Promote Saver's Match (2027)

Modifies the existing Saver's Credit to make it refundable and turns it into a direct government matching contribution to the taxpayer's IRA or eligible retirement plan. Enhances and simplifies the Saver's Credit by creating one credit percentage (with no tiers) of 50% for all savers below the AGI threshold (\$41,000 for joint filers), at which point the credit phases out. The credit is treated as a pre-tax contribution to the recipient's plan or IRA, meaning it will be taxable when distributed.

