

June 29, 2023

*Delivered via email*

The Honorable Jason Smith  
1010 Longworth House Office Building  
United States House of Representatives  
Washington, DC 20515

The Honorable Richard Neal  
372 Cannon House Office Building  
United States House of Representatives  
Washington, DC 20515

The Honorable Ron Wyden  
221 Dirksen Senate Office Building  
United States Senate  
Washington, DC 20510

The Honorable Mike Crapo  
239 Dirksen Senate Office Building  
United States Senate  
Washington, DC 20510

Dear Chair Smith, Ranking Member Neal, Chair Wyden and Ranking Member Crapo:

The undersigned organizations commend you for your leadership in enacting the SECURE 2.0 Act of 2022. This historic legislation will usher in a new era of retirement security.

We also wanted to raise an urgent issue that we have discovered as we have been working on implementation of SECURE 2.0. Briefly, unless transition relief is granted as soon as possible, many retirement plan participants will lose the ability to make catch-up contributions at the end of this year.

Specifically, although some plans may be able to comply (including some signatories to this letter) at great cost and burden, a vast number of plans and employers will not be able to comply with the new requirement, effective for 2024, that workers who earned over \$145,000 in the preceding year from the current employer must make their catch-up contributions on a Roth basis. For many of these plans, unless this requirement is delayed very quickly (i.e., this summer), their only means of compliance will be to eliminate *all* catch-up contributions for 2024. If a delay is not announced until, for example, the fourth quarter, it will be too late to prevent this adverse result, since compliance systems need to be designed well before the effective date.

These challenges exist in part because systems do not exist – and certainly cannot be built in 2023 – to instantly coordinate payroll systems (which determine who earned over \$145,000 in the prior year) with plan recordkeeper systems that must ensure compliance with the new catch-up rule. These circumstances pose a long list of other obstacles including, for many plans, the challenges of adding a Roth feature and communicating that feature to participants, as well as special challenges for state and local governments and collectively bargained plans.

Obviously, any new rule requires new administrative work to implement. **But we have been struck by the overwhelming input from the retirement community that this particular task simply cannot be done in time by a vast number of plans.**

To ensure that this change in the law does not unintentionally result in the elimination of catch-up contributions, the undersigned are seeking a two-year delay of the Roth catch-up requirement described in Section 603 of SECURE 2.0, plus (1) any time necessary to give state and local governments the opportunity to consider and enact needed legislation and (2) any additional time to avoid requiring changes during the term of a collective bargaining agreement or other applicable binding agreements.

Ideally, Congress would pass legislation that provides our requested relief. Accordingly, we are asking Congress to provide such relief as expeditiously as possible.

However, even if Congress does not act, the U.S. Department of the Treasury and the Internal Revenue Service (IRS) have the authority to unilaterally provide the necessary relief. For example, the issue could be addressed simply by an announcement that the IRS will not seek taxes, interest, penalties or any other sanctions from any party by reason of noncompliance with the new Roth catch-up contribution rule prior to January 1, 2026. There are many precedents for such action. A more detailed analysis of this issue will be provided very shortly.

In light of the urgent need for a delayed effective date, this letter addresses only that issue and does not address issues related to (1) the plans to which the Roth catch-up contribution rule applies or does not apply, (2) the application of the rule to employees without FICA wages or (3) the numerous issues on which guidance would be needed well before a delayed effective date.

We thank you for your consideration of this urgent request.

Alight Solutions	Buck Global, LLC
Altria Group, Inc.	Burns & McDonnell
AMC Networks Inc.	Cargill
American Benefits Council	CC Industries, Inc.
American Retirement Association	CGX
Anheuser-Busch	Charles Schwab
Aon	Chipotle Mexican Grill
Arconic Corporation	City and County of San Francisco
Assurant, Inc.	City of Ann Arbor Employee's Retirement System
Atlas Roofing Corporation	City of Austin Deferred Compensation Plans
B. Braun Medical Inc.	City of Milwaukee 457(b) Deferred Compensation Plan
Ball Corporation	City of Phoenix Employees Retirement System
Baltimore City Retirement Systems	City of San Jose Deferred Compensation Plan
Bayer	ConocoPhillips
Bechtel Global Corp.	Corning Incorporated
Betterment Holdings, Inc.	
Bloomberg L.P.	
bp America	

Corteva Agriscience, LLC.  
County of Stanislaus  
County of Ventura  
Cox Enterprises, Inc.  
CSL Behring  
Delta Air Lines  
Detroit Entertainment  
Dickinson Wright PLLC  
EBSCO  
Edison International  
Emergent BioSolutions  
Employees' Retirement System of the State  
of Hawaii  
Empower  
Energy Transfer  
Entergy  
Enterprise Community Partners  
Envista Holdings Corp  
Equitable  
Eversource Energy  
Fidelity Investments  
Focus Brands  
Franklin Templeton  
Gilead Sciences  
Great Dane  
Greif Packaging LLC  
Groom Law Group, Chartered  
Health Care Service Corporation  
HERE N.A., LLC  
Hood Companies, Inc.  
Houston Methodist  
HR Policy Association  
IBM Corporation  
IHG Hotels & Resorts  
Ingram Micro Inc.  
International Alliance of Theatrical Stage  
Employees Annuity Fund  
Investment Adviser Association  
Investment Company Institute

IRALOGIX, Inc.  
John Hancock Life Insurance Company  
(U.S.A.)  
Kentucky Public Employees' Deferred  
Compensation Authority  
Kern County 457b Plan  
Kilpatrick Townsend & Stockton  
Kinder Morgan, Inc.  
Lam Research  
Leidos, Inc.  
Lincoln Financial Group  
Linde Inc.  
Lockheed Martin Corporation  
Los Angeles County  
Louisiana State Employees' Retirement  
System  
LPL Financial  
Lumen Technologies  
McKesson Corporation  
Mercer  
Microsoft Corporation  
Miles & Stockbridge  
MissionSquare Retirement  
Mueller Industries  
Municipal Police Employees' Retirement  
System (Louisiana)  
National Association of Government  
Defined Contribution Administrators  
(NAGDCA)  
National Association of Professional  
Employer Organizations  
National Association of State Retirement  
Administrators  
National Coordinating Committee for  
Multiemployer Plans  
National Payroll Reporting Consortium, Inc.  
Nationwide  
ND Paper, Inc.  
NEPC

New York State Deferred Compensation Plan  
New York State Teachers' Retirement System  
NFP  
Niagara Bottling, LLC  
NISA Investment Advisors, LLC  
North American Lighting  
NRECA, America's Electric Cooperatives  
NTCA - The Rural Broadband Association  
NYC Deferred Compensation Plan  
NYC Health + Hospitals  
NYS Metropolitan Transportation Authority  
Ogletree, Deakins, Nash, Smoak & Stewart, P.C.  
Ohio Association of Professional Fire Fighters  
Ohio Police and Fire Pension Fund  
Ohio Public Employees Deferred Compensation  
OHSERS  
Omnicell, Inc.  
Oncor  
Oregon Public Employees Retirement System  
Oregon Public Universities Retirement Plans  
Pacific Maritime Association  
Packaging Corporation of America  
Paramount Global  
Paul Hastings LLP  
Paychex, Inc.  
PepsiCo  
Perdue Farms  
Phillips 66  
Piedmont Healthcare, Inc.  
Pietzsch Law Group, P.A.  
Pollard & Associates, Inc.  
Principal®  
Public Employees' Retirement Association of Colorado

Qualcomm  
Quest Diagnostics  
Red Bull  
Richmond Retirement System  
Ruan Transportation Management Systems  
Saint-Gobain Corporation  
Sanford Health  
Schnuck Markets, Inc.  
SCPOA Unit President  
Seagen, Inc.  
SIFMA  
Silicon Valley Employers Forum  
Small Business Council of America  
South Dakota Retirement System  
South Miami Pension Plan  
Southern Company  
Southwest Airlines  
SPARK  
Stanley Black & Decker, Inc.  
State of Alaska - Division of Retirement and Benefits  
State of Florida 457b Deferred Compensation Plan  
State of Indiana Deferred Compensation Plan  
State of New Mexico 457b Plan  
Stinson LLP  
Suffolk Association of Municipal Employees (AME)  
Suffolk County Correction Officers Association  
Suffolk County Deferred Compensation Board  
Suffolk County Deputy Sheriffs PBA  
Suffolk County Detective Investigators PBA  
Suffolk County Detectives Association, Inc.  
Suffolk County PBA  
Suffolk County Police Superior Officers Association, Inc.  
Sysmex America, Inc.

Tata Consultancy Services  
Tate and Lyle  
Teachers' Retirement System of the City of  
New York  
Teachers' Retirement System of the State of  
KY  
Tebie Global  
Telos Corporation  
The Cigna Group  
The Council of Insurance Agents & Brokers  
The Dow Chemical Company  
The ERISA Industry Committee  
The Goodyear Tire & Rubber Company  
The New York State Deferred  
Compensation Plan  
The Procter & Gamble Company  
The Timken Company  
The Vanguard Group, Inc.  
The Wagner Law Group  
TIAA  
TRAM, Inc.  
TriNet  
Trinseo LLC

TruStage  
U.S. Chamber of Commerce  
UKG Inc.  
Unisys Corporation  
United of Omaha Life Insurance Company  
Unum  
UPS  
USI Consulting  
Utah Retirement System  
Verizon  
Vorys Sater Seymour & Pease LLP  
Voya Financial  
Washington University in St. Louis  
Washoe County  
Waste Connections  
Wawa, Inc.  
WestRock Company  
Williams  
Wisconsin Deferred Compensation Program  
Womble Bond Dickinson (US) LLP  
WTW  
Wyoming Retirement System

cc: The Honorable Janet Yellen