

Retirement at a Glance



1. **IRS RELIEF CATCHES UP** – Plan sponsors now have two more years before they must implement the SECURE 2.0 mandate that participants earning more than \$145,000 in FICA wages make their catch-up contributions as after-tax Roth contributions (source: IRS Notice 2023-62).
2. **DO I HAVE TO TAKE A PAYMENT?** – Under proposed IRS regulations, most nonspouse beneficiaries who inherit a retirement account from an individual who died after their required beginning date for taking RMDs must take annual payments from the account until it is depleted within 10 years of the date of death. As a result of confusion surrounding this rule, the IRS is providing excise tax relief to beneficiaries who didn't take a payment in 2021, 2022 or 2023 (IRS Notice 2023-54).
3. **NO ONE WANTS BUT SOME MAY NEED** – Plan sponsors may allow participants living in a federally declared disaster area who sustained economic loss due to the disaster to withdraw \$22,000 from their retirement plan account. Participants may spread the taxation over three years or avoid taxation by repaying all or a portion of it within three years (source: SECURE 2.0 Act).
4. **ONE-HALF THE EQUATION** – Expected retirement age has a critical impact on financial planning for retirement. Yet more than 50% of retirees surveyed retired earlier than they expected. More than 44% retired before age 62. Only 1 in 6 retirees in their 50s accurately predicted their retirement age (source: Liu, Zhikun and Blanchett, David and Sun, Qi and Fink, Naomi).
5. **THE OTHER HALF** – Just 38% of [survey](#) respondents correctly selected the average life expectancy (i.e., length of retirement) for a 60-year old man (22 more years to age 82) or woman (25 more years to age 85). 28% selected “don't know” and 25% underestimated life expectancy, putting at least 53% of adults in danger of underestimating how long a retirement they should be planning to finance (source: TIAA, Globally Financial Literacy Excellence Center).
6. **WHAT'S YOUR REGION?** – New data shows that in 2021, 69 million or 55.5% of American workers did not have access to a retirement plan at work. States with the lowest percentage of the workforce able to access a workplace retirement plan include Florida (33%), Georgia (37%), Rhode Island (39%) and Connecticut (42%). States with the highest access to workplace retirement plans are Iowa (58%), Idaho (57%), Montana (55%) and Oregon (54%) (source: Economic Innovation Group).
7. **SOME GOOD NEWS** – The implementation of a state-based auto IRA program increases the probability that an employee works for a company that offers an employer-sponsored retirement plan by approximately 3% and the probability that a worker participates in that plan by 7%. The number of workers participating also increases by 3% to 5% (source: National Bureau of Economic Research).
8. **STUDENT LOAN HELP** – With the new SECURE 2.0 feature, an employer match on student loan payments, becoming available in 2024, more employers will be looking at adding or modifying employee benefits related to student loan debt. In 2022, 39% of employers offered one or more student loan-related benefits to employees (source: Transamerica Institute).
9. **PEP IN YOUR STEP** – When asked if they're using a pooled employer plan (PEP) solution in their practice, half of the advisors responding to a survey at a national 401(k) conference in 2023 said No, 168 said a PEP only, 102 said a multiple employer plan (MEP) or group plan solution other than a PEP, and 100 said a traditional MEP only (source: National Association of Plan Advisors).
10. **FEAR OF MISSING OUT** – Last year, 69% of consumers planned to celebrate Halloween, returning to prepandemic levels. Americans spent over \$10 billion on Halloween candy, costumes, and decorations. Sixty-seven percent handed out candy, 51% decorated, 47% dressed up, 44% carved a pumpkin and 28% attended or hosted a celebration (source: National Retail Federation).

QUESTION – How much do most Americans plan on spending per month in retirement? **The answer can be found by calling your MFS representative.**

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