



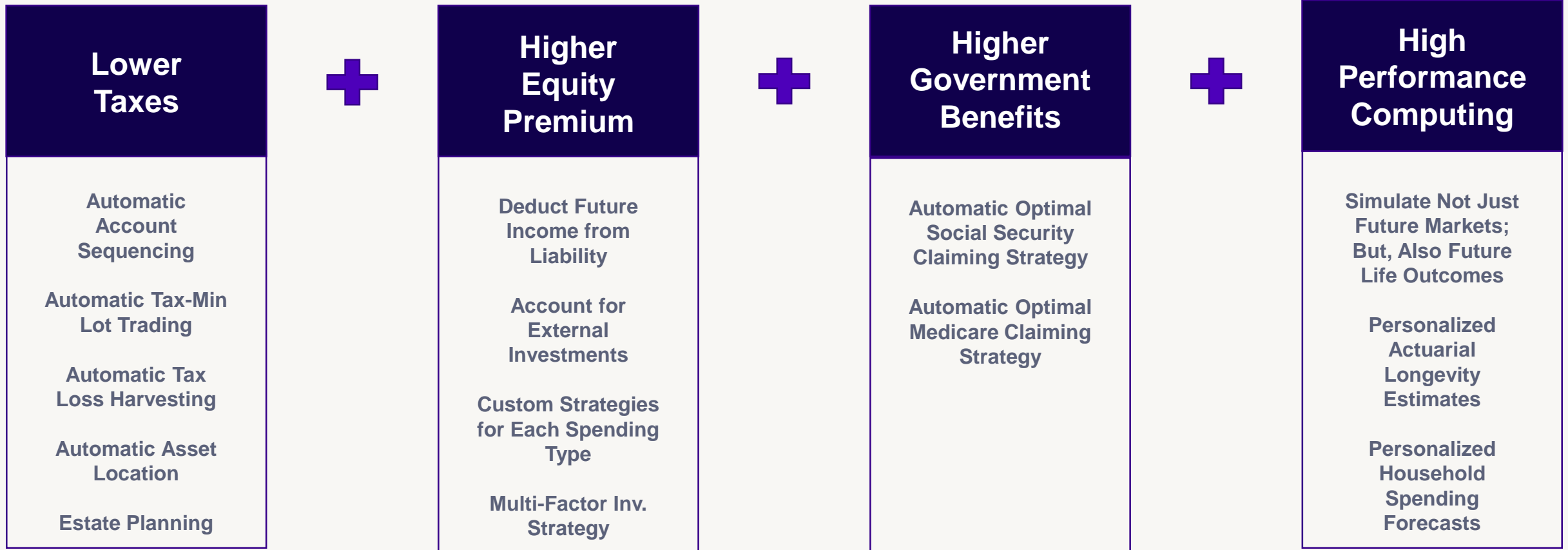
# Overview of SECURE Act

Presentation by Elizabeth Kelly, SVP of Operations

July 13, 2019

# How we build wealth at United Income

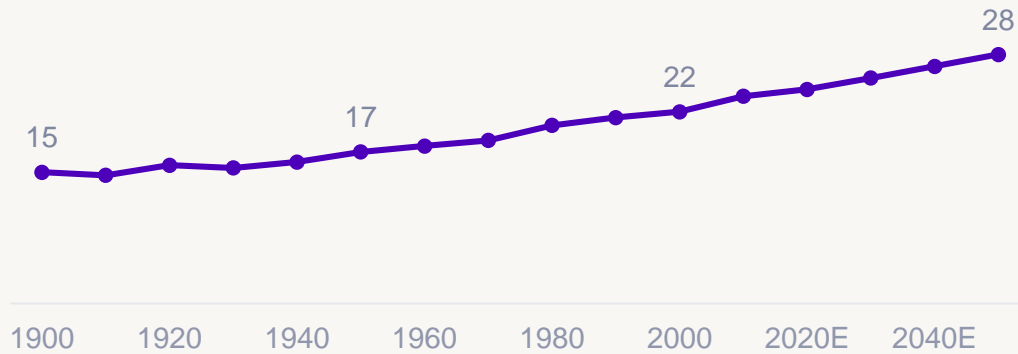
We use data and technology to reduce taxes, increase government benefits, and compound equity premiums. We call this **Efficient Investing™**.



# Retirees are living longer but not saving more

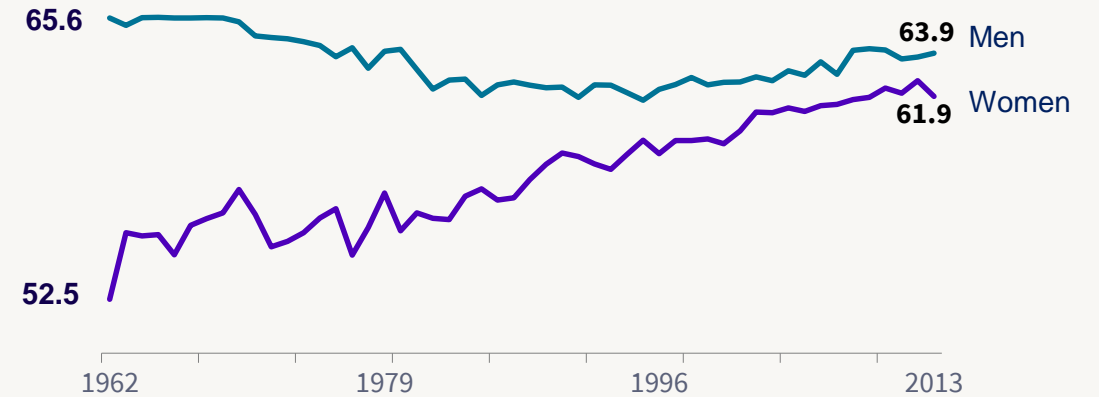
## Older adults are living longer, a trend that will continue

Average years of life remaining at age 60, 1900-2050 estimate



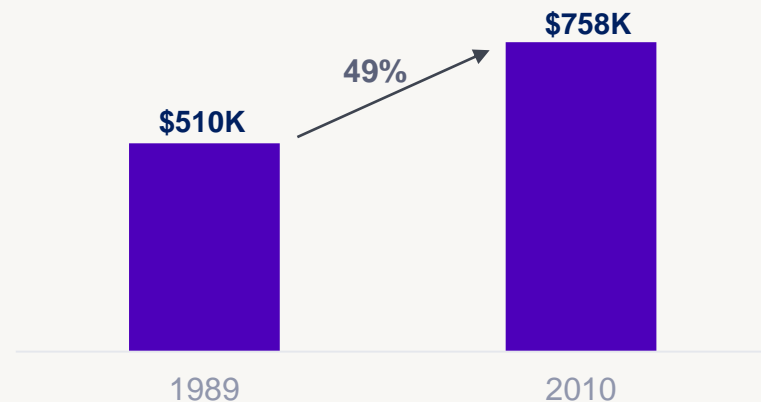
## American men are still retiring around the same age

Americans' average age of retirement



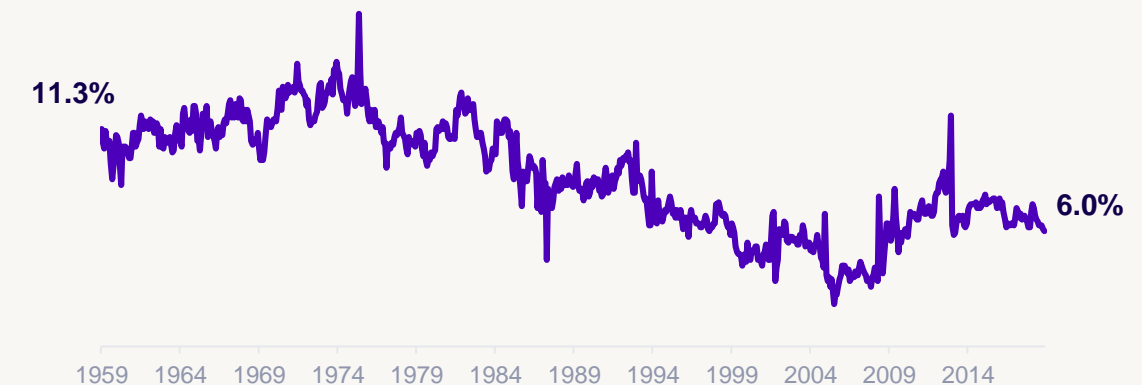
## As a result, Americans need more money in retirement

Expected spending in retirement (2016 dollars)



## Savings rates have not kept up with longevity growth

Personal savings rate as a percent of income



# Overview of SECURE Act

- **Increase access to workplace retirement savings plans**
  - Open multiple employer plans (MEPs)\*
  - Tax credit for small businesses that start offering plans and auto-enrolling workers
  - Enable long-term, part-time workers to contribute to workplace savings plans
  - Enable graduate students to contribute to IRAs
- **Reform contribution and withdrawal rules**
  - Allow contributions to traditional IRAs after age 70.5
  - Increase required minimum distribution (RMD) age from 70.5 to 72 years-old
  - Eliminate stretch IRAs by requiring most inheritors to withdraw IRA balances within 10 years\*
- **Increase annuity take-up**
  - Fiduciary safe harbor for selection of lifetime income provider\*
  - Disclosure regarding lifetime income

\* Provisions where there is some pushback

# Other Key Retirement Legislation

- **Retirement Enhancement and Savings Act (Grassley/Wyden)**
  - Largely identical to SECURE Act
- **Retirement Parity for Student Loans Act (Wyden)**
  - Would allow employers to make matching contributions to a retirement plan while their employees make student loan repayments (*also included in Portman/Cardin*)
- **Retirement Security & Savings Act (Portman/Cardin)**
  - Increases catch-up contribution limit from \$6K to \$10K for those 60+ and indexes to inflation
  - Expands “Saver’s Credit” for low-income savers, makes it refundable into retirement account
  - Raises RMD age to 75 and eliminates RMDs for those with retirement savings < \$100K
- **Saving for the Future Act (Klobuchar/Coons)**
  - Requires larger employees to contribute at least \$0.50 per hour worked to employee 401k
  - Creates federally-run UP accounts for employees of small businesses