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SECURE 2.0 Upends IRS Correction Procedures

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The SECURE 2.0 Act of 2022 (“SECURE 2.0”) is one of the most significant pieces of retirement plan legislation in many years. (See our high level summary of SECURE 2.0 at [link.](#)) Among other things, SECURE 2.0 brings sweeping changes to the correction of inadvertent errors for employer retirement plans. These include:

- Expanded options for employers and IRA providers to self-correct inadvertent errors.
- New protections for employees who receive inadvertent overpayments from retirement plans and modifications to the correction rules for plan qualification failures relating to overpayments.

These new rules will be beneficial to virtually all 401(k) plans, pension plans, or 403(b) plans that incur any noncompliance failure. In this article, we explore the impact of these changes in more detail.

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