

**#3 – SECURE Act 2.0**  
**IRA Early Withdrawal and PSO Health Insurance Deduction**

SECURE Act 2.0 went into effect on December 29, 2022. Here are a few key points.

- Additional exemptions to penalties for early withdrawal from an IRA have been added (Form 5329). This has not yet been added to TaxSlayer but it shouldn't be a problem because of the effective date of 12/29/2022.

- Changes have been made to the health insurance deductions for PSOs. The PSO will be able to reduce the retirement taxable income by any health insurance payment, not just a payment made by the employer. This only takes effect if the retirement distribution happened after 12/29/2022.

These take effect for 2022 taxes only if the early withdrawal happened after 12/29/2022. Because this would be extremely rare for our 2022 tax returns, they have not been detailed here. They will be included in tax training for 2023. Additional information can be found in the Portal>Libraries>Red Folder>A:Training Resources>Tax Law and Scope Changes TY22 Rel 2 (Powerpoint).

Effective January 1, 2023, the threshold age when taxpayers must begin taking RMDs from traditional IRAs and workplace plans increases from 72 to 73. As a result, individuals now can choose to delay taking their first RMD until April 1st following the year in which they reach age 73.