Employee Benefits & Employment Law Update

VBA Benefits Corporation Conference

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Agenda

01 Wellness Program Compliance

02 Virginia Paid Family & Medical Leave
Virginia Paid Sick Leave Law

03 Virginia Pay Transparency Law

04 SECURE 3.0 & Federal Retirement Legislation

Executive Summary

> Wellness Program Compliance

- No ADA/GINA incentive limit currently in force; best practice is to follow the vacated 30% framework while monitoring for new EEOC guidance

> Virginia Paid Family & Medical Leave

- Payroll contributions begin April 2028; benefits available December 2028 — employers should begin planning now for private plan opt-out decisions and FMLA coordination

> Virginia Paid Sick Leave Law

- Broader paid sick leave phased in July 2027–Jan 2029 by employer size; 1 hr/30 hrs worked, 40-hr annual cap; covers routine and preventive care for employee and extended family

> Virginia Pay Transparency Law

- Effective July 1, 2026 — all employers must include wage/salary ranges in postings and are barred from requesting salary history; private right of action available

> SECURE 3.0 & Federal Retirement Legislation

- An omnibus retirement package (~100+ provisions, ~$120B) is anticipated by end of 2028; centerpieces include universal auto-enrollment and expanded Saver's Match

Wellness Program Compliance

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The Web of Applicable Laws

> Federal laws that may apply to a single wellness program:

HIPAA Nondiscrimination
- Participatory vs. health-contingent rules (as modified by the ACA)

ADA
- "Voluntary" standard for disability-related inquiries & medical exams

GINA
- Genetic information/family medical history restrictions

ACA / Market Reforms
- Incentive caps (30%/50%), reasonable alternative standards

ERISA
- Fiduciary duties, plan documentation, claims procedures

HIPAA Privacy/Security
- PHI safeguards, BAAs, minimum necessary standard

Other Potentially Applicable Laws

Other Potentially Applicable Laws

These laws may also affect wellness program design and compliance:

- **ADEA** — Age discrimination protections in benefit design
- **FLSA** — Wage/hour implications of wellness activities during work time
- **IRC / Tax Rules** — Taxability of incentives; cafeteria plan rules (Code § 125)
- **FMLA** — Interaction with medical leave for wellness-related conditions
- **COBRA** — Continuation coverage obligations for plan-linked wellness benefits
- **State Laws** — State privacy, insurance, and consumer protection requirements

HIPAA/ACA: Program Categories & Incentive Limits

- **Participatory Programs**
  - Incentive based on participation only (not results)
  - Examples: gym reimbursement, completing an HRA
  - Must be available to all similarly situated individuals
- **Health-Contingent Programs**
  - Activity-only or outcome-based
  - Must satisfy five requirements

Maximum Incentive Cap

30% Of cost of employee-only coverage (or applicable tier if dependents participate)

50% For tobacco cessation programs

ACA effective Jan. 1, 2014 (up from 20%)

Five Requirements: Health-Contingent Programs (1 of 2)

1. Maximum incentive does not exceed 30% of cost of coverage (50% for tobacco)

- Reward for all health-contingent programs combined cannot exceed 30% of total cost of employee-only coverage (or applicable tier if dependents participate); 50% cap applies only to the extent the additional percentage relates to tobacco prevention/cessation
- "Cost of coverage" = total employer + employee contributions; general wellness and tobacco programs tested separately against their own caps (29 CFR 2590.702(f))

2. Reasonably designed to promote health or prevent disease

- Facts-and-circumstances test: program must have a reasonable chance of improving health, must not be overly burdensome, and must not be a subterfuge for discriminating based on a health factor or highly suspect in method
- For outcome-based programs: requiring a reasonable alternative standard is itself part of "reasonable design"—conditioning the reward solely on meeting a biometric target with no alternative fails this requirement

Authority: 29 CFR 2590.702(f)(3)–(f)(5) (applies to both activity-only and outcome-based programs)

Five Requirements: Health-Contingent Programs (2 of 2)

3. Uniform availability and reasonable alternative standard for all

- Activity-only: alternative/waiver required for anyone for whom the standard is unreasonably difficult due to a medical condition or medically inadvisable to attempt
- Outcome-based: alternative/waiver must be offered to anyone who does not meet the initial standard—no showing of medical difficulty required; alternative cannot be merely a relaxed numeric target on the same date (e.g., BMI <31 vs. <30 is invalid; gradual reduction over a realistic period is acceptable)
- Plan must cover alternative costs (e.g., diet program membership fees); time commitments must be reasonable; and personal physician's recommendations must be accommodated as a second alternative

4. Notice of availability of the reasonable alternative standard

- All plan materials describing the program must disclose: availability of alternative/waiver, contact information for obtaining it, and statement that personal physician recommendations will be accommodated
- For outcome-based programs: notice must also appear in any communication informing an individual that they did not meet the initial standard

5. Reasonable opportunity to qualify at least once per year

- All individuals eligible for the program must have the opportunity to qualify for the full reward at least once per plan year; applies to both activity-only and outcome-based programs

HIPAA/ACA Compliance: Two Examples

Example 1 (Participatory Program):

An employer offers a premium discount to any employee who completes a biometric screening or health risk assessment, regardless of the results. Because the reward is tied solely to participation, not to a health outcome, the program is available to all similarly situated individuals without further conditions, satisfying the HIPAA/ACA participatory-program rules.

Example 2 (Health-Contingent, Outcome-Based Program):

An employer offers a premium reduction of up to 30% of the cost of self-only coverage for employees who meet a biometric target (e.g., a specified BMI or cholesterol level), but also offers a reasonable alternative standard (such as completing a physician-supervised improvement program) for employees who do not meet the target, provides notice of that alternative, and gives employees at least one opportunity per year to qualify—satisfying all five health-contingent program requirements.

Note: These are illustrative examples of HIPAA/ACA compliance frameworks, not descriptions of any specific employer's actual program.

ADA: Voluntariness & Wellness Programs

> Applies to employers with 15+ employees

> Covers any “employee health program” with disability-related inquiries or medical exams

> Includes biometric testing even outside a group health plan

> “Voluntary” standard requires:

- No requirement to participate
- No denial of coverage/benefits for non-participation
- No adverse action, retaliation, coercion, or intimidation
- Compliance with incentive limits
- Required notice to employees

> Reasonable accommodation required (absent undue hardship) so employees with disabilities can earn incentive

> Medical info disclosed to employer only in aggregate form

ADA Compliance: Two Examples

Example 1 (Voluntariness and Notice):

An employer's biometric screening and health risk assessment are not required for enrollment in the group health plan, participation results in no adverse action for those who decline, and employees receive a notice explaining what medical information will be collected, how it will be used, and the confidentiality protections in place, with the employer receiving only aggregated, non-identifiable data—satisfying the ADA's voluntariness and notice requirements.

Example 2 (Reasonable Accommodation):

An employee with a mobility-related disability cannot participate in a step-count fitness challenge used to earn a wellness incentive; the employer provides a reasonable accommodation by offering an alternative activity (such as completing an educational health module) so the employee can earn the same incentive, consistent with the ADA's reasonable accommodation obligation absent undue hardship.

Note: These are illustrative examples of ADA compliance frameworks, not descriptions of any specific employer's actual program.

AARP v. EEOC & the Incentive Uncertainty

2016 EEOC issues final ADA/GINA wellness rules (30% incentive = “voluntary”)

2017 AARP v. EEOC: court holds 30% cap arbitrary & capricious; vacated effective Jan. 1, 2019

2019 EEOC formally removes vacated incentive provisions

2021 EEOC proposes “de minimis” limit; rules later withdrawn

Best Practice: Continue following the vacated 2016 framework (30% self-only) until new guidance; avoid high-value or coercive incentives. Courts evaluate case-by-case.

GINA Requirements & Wearable Device Concerns

- **Genetic Information Nondiscrimination Act (GINA)**
  - Applies to employers with 15+ employees
  - "Genetic information" includes family medical history (4th degree)
  - Title I: plans cannot use genetic info for underwriting
  - Title II: employers cannot discriminate based on genetic info
  - Spousal HRA limited exception (manifestation only)
  - GINA incentive limits also vacated by AARP v. EEOC

- **EEOC Wearables Fact Sheet (January 2025)**
  - Smart watches, rings, continuous glucose monitors collecting health data may be prohibited medical exams under the ADA
  - Relevant to GLP-1 drug programs requiring activity/glucose tracking
  - Data must be kept confidential in separate medical files
  - Reasonable accommodations may be required

GINA Compliance: Two Examples

Example 1 (HRA Design):

An employer's health risk assessment does not ask employees about their family medical history or the results of any genetic tests, and where any such question appears, answering it is not a condition of earning the incentive, allowing employees to decline those specific questions without losing the reward—consistent with GINA Title II's bar on using genetic information in incentive design.

Example 2 (Spousal HRA Limited Exception):

An employer offers an incentive to a covered spouse who completes an HRA addressing the spouse's own current health status (e.g., a manifested condition like diabetes or hypertension), but the HRA does not request the spouse's genetic test results or the medical history of the couple's children, fitting within GINA's narrow spousal HRA exception, which is limited to manifestation of disease rather than genetic information.

Note: These are illustrative examples of GINA compliance frameworks, not descriptions of any specific employer's actual program.

HIPAA Privacy & Security

HIPAA Privacy/Security & Wellness Programs

- Wellness program = exception to nondiscrimination, not to privacy rules
- PHI from a plan-linked program is covered by HIPAA
- Employer receives only aggregate data
- Business Associate Agreements required with vendors; maintain current policies

Key Point: PHI safeguards, BAAs, and minimum necessary standard apply regardless of HIPAA nondiscrimination exception

COBRA & Wellness Programs

COBRA & Wellness Benefits

- Wellness benefits that are part of a group health plan generally must be offered as continuation coverage
- Some nuances for on-site services and HSA contributions

Tax & IRC Considerations

Tax / IRC

> Cash/cash-equivalent rewards
= taxable wages (W-2)

> Even vendor-distributed gift cards are taxable

> De minimis fringe (t-shirt): excludable

> Cash equivalents are never
de minimis

Wellness Programs: Common Pitfalls

01 **Assuming HIPAA/ACA compliance = ADA/GINA compliance**

Each law must be satisfied independently

02 **Ignoring ADA voluntariness, notice, and accommodation**

Reasonable alternatives and reasonable accommodation are separate duties

03 **Treating taxable rewards as non-taxable**

Cash/cash equivalents are always wages, even small amounts

04 **Failing to execute BAAs with wellness vendors**

PHI from plan-linked programs triggers HIPAA

05 **High-value incentives that risk coercion**

Courts evaluating voluntariness case-by-case post-AARP v. EEOC

Virginia Paid Family & Medical Leave

Virginia PFMLI: Key Dates & Structure

April 22, 2026	Signed into law by Gov. Spanberger
January 1, 2028	VEC must establish the program
April 1, 2028	Employer/employee payroll contributions begin
December 1, 2028	Benefits become available; claims paid

- Virginia is 14th state (+ D.C.) and 1st Southern state to enact PFML
- Administered by the Virginia Employment Commission (VEC)
- VEC implementing rules/regulations not yet released
- Virginia also enacted a broader paid sick leave law (phased 2027-2029; see slides 28-32)

PFMLI Benefits & Qualifying Reasons

12 weeks
paid leave/year

80% wage replacement

> **Qualifying Reasons:**

- Birth, adoption, or foster placement of a child (bonding)
- Employee's own serious health condition, including pregnancy
- Caring for a family member with a serious health condition
- Caring for a covered service member
- Military exigency, deployment-related needs
- Safety services leave (*e.g.*, domestic violence, sexual assault, stalking, harassment)

Coverage, Funding & Job Protection

Coverage

- Nearly all employers regardless of size
- Full-time and part-time workers
- Self-employed may opt in
- Eligibility: ~$3,000+ in wages over two highest-earning quarters

Funding

- Mandatory payroll contributions (employer + employee)
- >10 employees: employer may deduct up to 50% from wages
- 10 or fewer: deduct 50% of larger-employer rate; no employer add-on required
- Rate set annually by VEC Commissioner (sound actuarial basis)

Job Protection & Other Features

- Reinstatement to same or equivalent position; retain pay, seniority, benefits
- May be taken intermittently; runs concurrently with FMLA
- Cannot be waived by agreement (including CBA)
- Benefits portable across covered Virginia employers
- Private plan opt-out available (VEC-approved, equal/greater benefits, employee cost no more)

Virginia PFMLI vs. Federal FMLA

Feature	Virginia PFMLI	Federal FMLA
Compensation	Paid (80% wage replacement)	Unpaid
Employer Size	All employers (no minimum)	50+ employees
Employee Eligibility	~$3K wages (UI standard)	12 months / 1,250 hours
Duration	12 weeks/year	12 weeks/year
Safety/DV Leave	Yes (4 weeks)	No
Part-Time Workers	Covered	Must meet hours threshold
Job Protection	Yes	Yes
Portability	Yes (across VA employers)	No
Intermittent Use	Yes	Yes (with limitations)
Concurrent	Runs concurrently with FMLA where applicable	N/A

Virginia PFMLI: Employer Action Items

01 Prepare for April 2028 payroll contribution start date

02 Evaluate VEC-approved private plan opt-out option

03 Update leave policies for FMLA concurrent administration

04 Train HR/payroll staff on job-protection and portability rules

05 Monitor VEC rulemaking for rates and eligibility details

Virginia Paid Sick Leave Law

Paid Sick Leave: Key Dates & Covered Employers

> **Existing Law**

- Virginia already has a narrower paid sick leave law covering certain home health workers (currently in effect)

> **New Broader Law — Phase-In by Employer Size**

- **July 1, 2027:** Employers with at least 50 employees
- **January 1, 2028:** Employers with at least 25 employees
- **January 1, 2029:** Employers with at least 1 employee (universal coverage)

Paid Sick Leave: Accrual & Pay

> **Accrual**

- At least 1 hour of paid sick leave for every 30 hours worked
- May not accrue or use more than 40 hours per year, unless employer sets a higher limit
- Accrued leave carries over to the following year, subject to the 40-hour annual cap

> **Pay**

- Paid at the same hourly rate and with the same benefits (including health care benefits) normally earned
- Subject to a floor tied to Virginia minimum wage (no reduction for tip credit)

> **PTO Offset**

- Employer with existing PTO or paid leave policy providing sufficient leave usable for the same purposes and conditions is not required to provide additional paid sick leave

Paid Sick Leave: Qualifying Reasons & Family Members

> **Qualifying Reasons for Leave**

- Employee's own mental or physical illness, injury, or health condition
- Diagnosis, care, treatment, or preventive care
- Care of a covered family member for similar reasons
- Certain domestic violence-related needs (new law)
- ***Broader than FMLA:*** Not limited to serious health conditions; covers routine and preventive care

> **Covered Family Members (Broader Than FMLA)**

- Parents, spouses/domestic partners, grandparents, grandchildren, siblings
- Certain relatives of the employee's spouse or domestic partner

> **Employee Request**

- Leave must be provided upon request — oral, written, electronic, or other means acceptable to employer

Virginia Paid Sick Leave vs. Federal FMLA

Feature	Virginia Paid Sick Leave	Federal FMLA
Leave Type	Paid (same hourly rate)	Unpaid
Employer Size	Phased: 50+ (2027), 25+ (2028), 1+ (2029)	50+ employees
Accrual / Amount	1 hr per 30 hrs worked; 40 hr/yr cap	12 months / 1,250 hours eligibility
Qualifying Reasons	Illness, preventive care, DV needs	Serious health conditions only
Family Definition	Broad: grandparents, siblings, in-laws, domestic partners	FMLA: spouse, child, parent only
Carryover	Yes (subject to 40-hr cap)	N/A
PTO Offset	Existing PTO that meets requirements satisfies law	N/A
Employer Notice	Must post notice of rights	Required (poster)
Retaliation Protection	Yes (anti-retaliation provisions)	Yes (general anti-retaliation)
Concurrent	May run concurrently with FMLA where applicable	N/A

Paid Sick Leave: Employer Action Items

01 Determine employer-size phase-in date (2027, 2028, or 2029)

02 Audit existing PTO/paid leave policies for accrual/use/purpose compliance

03 Update policies for domestic violence reasons and broader family definition

04 Train HR/payroll on accrual tracking (1 hr/30 hrs, 40-hr cap) and intake

05 Coordinate with FMLA and Virginia PFMLI administration

Virginia Pay Transparency Law

Pay Disclosure Requirements

- **Coverage:** All employers (1+ employees) – no size threshold
- **Posting Requirement:**
  - Must disclose wage/salary or wage/salary range in each public and internal posting
  - Applies to jobs, promotions, transfers, and other employment opportunities
  - Range = good-faith estimate of minimum and maximum
  - **Good faith factors for setting the range:**
    - Any applicable pay scale
    - Previously determined range for the position
    - Actual range for persons in comparable positions
    - Budgeted amount for the position
  - Breadth of range is a factor in assessing good faith (overly broad ranges may be challenged)
  - Does not require disclosure of benefits or other compensation
  - No requirement to hire consultants or do market research

Salary History Ban

- **Prohibitions:**
  - Seeking a prospective employee's wage/salary history
  - Relying on wage/salary history in considering applicants for employment
  - Relying on salary history to set pay upon hire
- **Exception:**
  - If the applicant voluntarily discloses, employer may rely on history only to support a higher offer (must not violate VA/federal equal pay laws)
  - Employer may confirm voluntarily disclosed history
- **Anti-Retaliation:**
  - Prohibited: refusing to interview, hire, employ, promote, or otherwise retaliating against anyone for not providing salary history or for requesting a wage/salary range

Enforcement: Dual-Track & Cure Period

> Attorney General Enforcement

- Civil penalties: up to $1,000 first violation; $5,000 each subsequent
- Other legal/equitable relief

> Private Right of Action

- Aggrieved employee may sue within 1 year
- Recover actual damages + equitable relief
- VA is one of only two states (with WA) providing a private right of action for posting violations

> 15-Business Day Cure Period (Posting Violations Only)

- Employer must correct posting on all original locations within 15 business days of written notice
- Any person (not just an applicant) may send notice
- A single notice suffices for the life of that posting
- **Cure period does not apply to salary-history inquiry violations**
- A prospective employee may rely on another person's notice

Pay Transparency: Employer Action Items

01 Remove salary-history questions from applications and hiring materials

02 Revise job posting templates to include good-faith wage/salary ranges

03 Build a single intake point and 15-business day cure protocol

04 Train recruiters, hiring managers, and HR staff

05 Consider privileged pay-equity analyses and address internal compression

SECURE 3.0 & Federal Retirement

Why “SECURE 3.0”?

- Since November 2025, Congress has introduced dozens of bipartisan retirement bills positioned as building blocks for an anticipated omnibus dubbed “SECURE 3.0.”

- Not a single introduced bill (yet) — an anticipated package assembled from many individual bipartisan bills, following the model of:
  - SECURE Act (2019)
  - SECURE 2.0 Act of 2022 (Consolidated Appropriations Act, 2023)

Recurring SECURE Themes

1. **Savings enhancement & increased coverage**
2. **Preservation/protection of lifetime income**
3. **Simplification & clarification of plan rules**

Why SECURE 3.0 Could Be Bigger & Different

> **SECURE Act (2019)**
  – 29 provisions | ~$15.7B cost

> **SECURE 2.0 (2022)**
  – 92 provisions | ~$40B cost

> **SECURE 3.0 (anticipated)**
  – 100+ provisions | ~$120B+ cost

3x the cost of SECURE 2.0 – driven by universal auto-enrollment and expanded Saver's Match

What Makes It Bigger

- **Coverage gap focus:** 57 million workers lack access to any workplace plan
- **Federal matching:** Saver's Match converts tax credit into direct deposits (much more expensive)
- **Auto-enrollment mandate:** Extending beyond new plans to all existing plans is the most-discussed expansion
- **Bipartisan momentum:** Retirement remains one of the few areas with genuine cross-aisle cooperation

Outlook & Timing: Political Dynamics

> Congressional Timeline

- 2025-2026: Relatively quiet. Committees collecting bills, holding hearings, building the roster of component provisions.
- 2027: Expected active year. Post-midterms, possibly divided Congress creates incentive for bipartisan packages. Senate Finance and House W&M historically use retirement as a vehicle.
- End of 2028: Decent chance of an enacted package per industry insiders. Could attach to year-end omnibus (the model for SECURE and SECURE 2.0).
- Key Dynamic: Finding ~$120B in “pay-fors” within existing tax-advantaged retirement provisions may slow the package or limit its scope.

Furthest-Along Vehicles

INVEST Act

- Passed House; CITs in 403(b) plans

Protecting Prudent Investment Act

- Passed House; ESG/pecuniary standards

Both likely to be folded into any omnibus as starter provisions.

Anticipated Centerpiece Provisions

Universal Auto-Enrollment	Extend mandatory auto-enrollment from new plans only to all existing 401(k)/403(b) plans. Default rate 3-6%. Would be the single most impactful coverage provision.
Federal Automatic IRA	Require employers without a plan (10+ employees) to auto-enroll workers in a federal IRA. Fills the largest coverage gap. Modeled on state-level programs (CalSavers, etc.).
Expanded Saver's Match	Broaden eligibility and increase the federal matching contribution deposited directly into accounts. Could double the number of eligible workers and triple the match amount.

Four Policy Buckets Shaping SECURE 3.0

1

Expanding Access

Federal Auto-IRA mandate; universal auto-enrollment; lower age thresholds; small-employer credits; portability between state programs

2

Ensuring Parity

Nonprofits & charities access to startup credits; student-loan match parity; part-time worker protections; ESG/pecuniary standards clarity

3

Easing Administration

CITs in 403(b); Form 5500 reform; lost-account registry; auto re-enrollment every 3 years; unified fiduciary standards

4

Empowering Participants

Expanded Saver's Match; PLESA to $5K; lifetime income portability; emergency savings access; children's savings accounts (401Kids)

SECURE 3.0 Component Bills

Bill	Number	Key Provision	Status
Automatic IRA Act	H.R. 6722	Require employers (10+) without plan to auto-enroll workers in IRA	Introduced December 2025
INVEST Act	H.R. 3383	Allow CITs in 403(b) plans	Passed House
Protecting Prudent Investment Act	H.R. 2988	ESG/pecuniary fiduciary standards	Passed House
Helping Young Americans Save	H.R. 4718 / S. 1707	Lower 401(k) eligibility age to 18	Bipartisan; both chambers
Small Nonprofit Retirement Security	H.R. 4548 / S. 2365	Refundable startup credits for small nonprofits	Introduced July 2025
Retirement Savings for Americans	S. 1526	Federal portable account + gov match for low/mod income	Senate Finance; bipartisan

SECURE 3.0 Component Bills (continued)

Bill	Number	Key Provision	Status
Auto Re-Enroll Act	S. 1831	Auto re-enroll opt-out workers every 3 years	Bipartisan (Cassidy/Kaine)
PLESA Enhancement	Proposed	Raise emergency savings max to $5K; expand eligibility	Proposed (effective 2027)
Unclaimed Retirement Rescue Plan	H.R. 5325	Transfer unclaimed distributions to state programs	Introduced September 2025
OPTIONS Act	Introduced Apr. 2026	More employee control over contribution form	Bipartisan
401Kids Savings Act	S. 3716 / H.R. 7162	State children's savings accounts (education, home, retirement)	Introduced; aspirational
Form 5500 Filing Simplification	H.R. 7362	Uniform deadline; reduce reporting red tape	Introduced 2026

Most enjoy bipartisan support, increasing the odds of inclusion in a future omnibus. Bills that have already passed one chamber (INVEST Act, Prudent Investment Act) are furthest along.

The Cost Challenge: Finding "Pay-Fors"

> Potential Pay-For Sources

- Limiting high-balance tax benefits (*e.g.*, mega-Roth restrictions)
- Tightening RMD rules for very large accounts
- Reducing catch-up contribution limits for high earners
- Accelerating Roth conversion requirements
- Revenue-raising timing shifts (Roth = upfront revenue)

~$120B

Estimated 10-year cost of universal auto-enrollment and expanded Saver's Match – roughly 3x the total cost of SECURE 2.0

Key Takeaway: The package's scope will ultimately be defined by the size of the offsets Congress can identify. Policy ambition is ahead of fiscal reality.

Regulatory Developments: Finalized / Near-Final

> **Alternative Investments Rulemaking**
  - DOL submitted regulations to OMB (January 2026)
  - More open to alternatives with proper fiduciary oversight

> **Executive Order (April 2026): Promoting Retirement Savings Access**
  - Connects uncovered workers to low-cost IRA products via TrumpIRA.gov
  - Published in Federal Register May 5, 2026

Regulatory Developments: Pending

> **DOL Fiduciary Rule**
  - Revised rule expected ~May 2026
  - Administration withdrew appeal of vacated Biden-era rule
  - New rule more advisor-friendly on rollovers

> **EBSA Enforcement**
  - Reworking compliance/enforcement approach
  - Daniel Aronowitz nomination pending Senate floor

2026 IRS Limits & SECURE 2.0 Provisions Now in Effect

Limit / Provision	2026 Amount / Detail
401(k)/403(b)/457 Deferral	$24,500
IRA Contribution Limit	$7,500
Age 50+ Catch-Up	$8,000
Age 60-63 "Super Catch-Up"	$11,250
IRA Catch-Up (50+)	$1,100
Roth Catch-Up Mandate	Participants earning >$150K FICA wages: catch-ups must be Roth (final regs September 2025; good-faith compliance until 2027)
Mandatory Auto-Enrollment (new plans)	3% minimum default (Code § 414A); effective 2025 for new 401(k)/403(b)
Long-Term Part-Time Workers	Eligible at 500+ hours/year for 2 consecutive years (SECURE 2.0)

Key Takeaways

> Wellness Programs

- No ADA/GINA incentive limit in force
- Follow 30% best practice
- Ensure each law satisfied independently

> Virginia PFML

- Payroll contributions start April 2028
- Benefits December 2028
- All employer sizes covered
- Private plan option available

> Virginia Paid Sick Leave

- Phased by employer size (2027-2029)
- Audit existing PTO for compliance
- Coordinate with PFMLI and FMLA

> Virginia Pay Transparency

- Effective July 1, 2026
- Update postings now
- Salary history ban with narrow exception
- Private right of action

> SECURE 3.0 & Retirement

- Omnibus anticipated by end of 2028
- ~$120B scope
- Auto-enrollment, federal IRA, Saver's Match are centerpieces
- 2026 SECURE 2.0 limits already in effect

Questions & Discussion

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