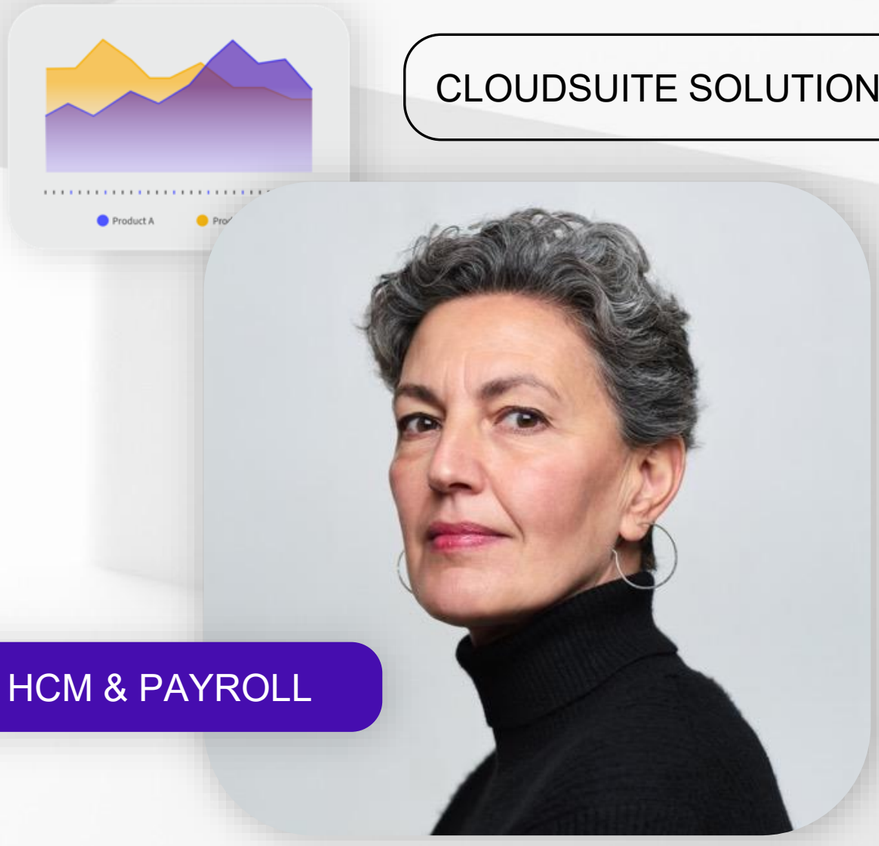
What we mean by compliance — and how we partner with you through a faster pace of change

Preparing for Compliance & Regulatory Updates



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Agenda

01

What we mean by compliance

Tools to meet leading practice — and the governance you own.

02

Why now: the regulatory landscape

SECURE 2.0, the One Big Beautiful Bill, ACA and IRS IRIS A2A.

03

What we learned this season

Greater transparency, richer known-issue detail, clearer impact.

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Partnering on testing & open enrollment

Customer scenarios, Data Mining and an open-enrollment calendar.

05

The MT advantage & Velocity AI

Faster delivery with multi-tenant, plus Velocity AI agents.

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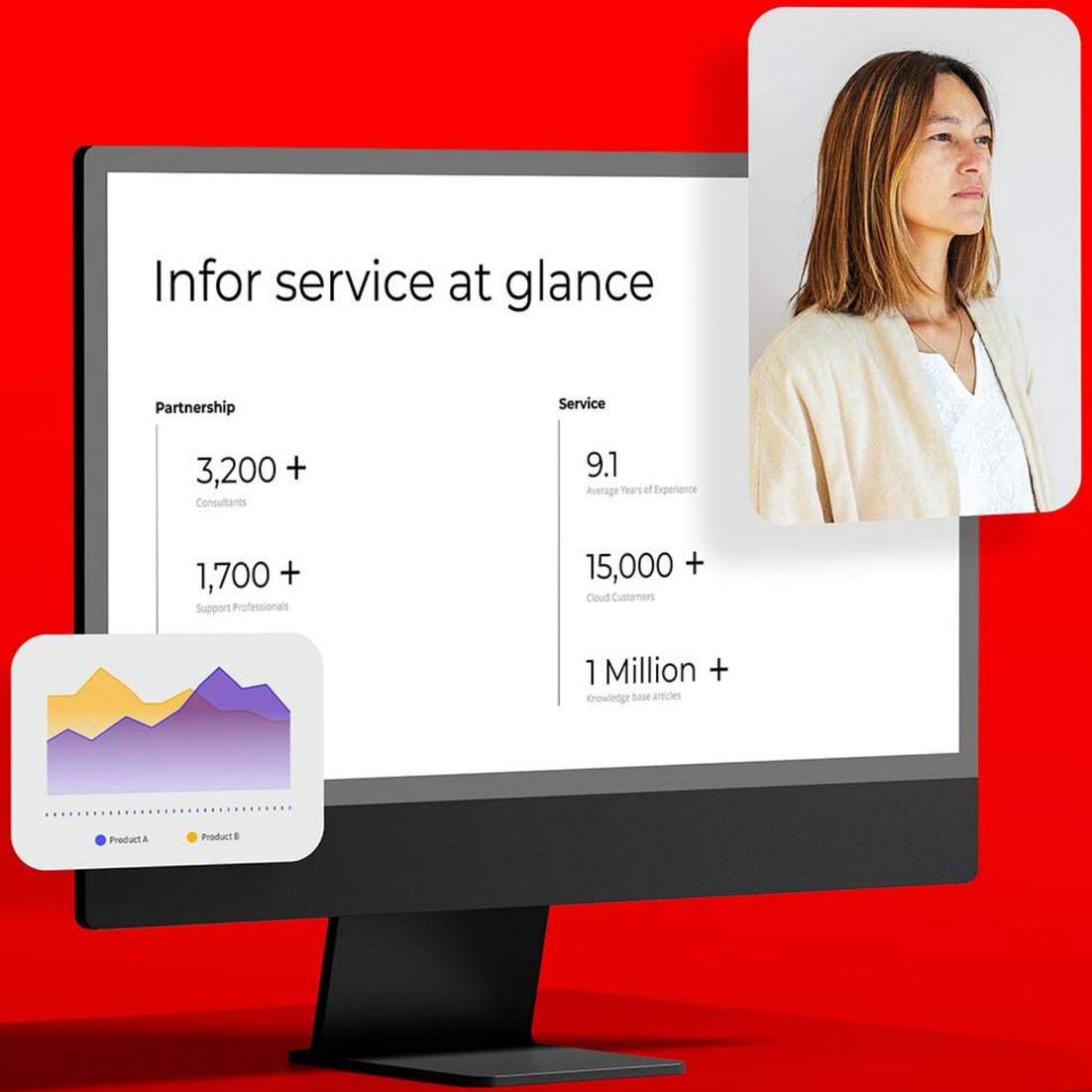

“Regulatory change used to arrive over years. Now it lands in months — and it compounds. Our job is to give you the tools to keep pace.”

Infor HCM & Payroll
Compliance & Regulatory Readiness

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What Is the SECURE Act 2.0?

The SECURE 2.0 Act of 2022 is federal legislation that expands access to workplace retirement savings and modernizes how catch-up contributions are taxed and tracked.

- **Roth catch-up mandate:** Starting in 2026, employees age 50+ whose prior-year FICA wages exceeded $145,000 must make catch-up contributions on a Roth (after-tax) basis.
- **Super catch-up (ages 60–63):** A higher “super” catch-up limit applies to employees in this age band.
- **Age-based tracking:** Payroll must track each employee’s age band and wage threshold to apply the correct catch-up amount and tax treatment.
- **Why it matters for MSP:** New fields and logic were added across HR11, HR115, BN12, HR00.1, and BSI to keep MSP compliant.

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What Is the OBBBA?

The One Big Beautiful Bill Act (OBBBA), signed into law on July 4, 2025, created a new federal “No Tax on Overtime” deduction that changes year-end payroll reporting.

- **The deduction:** For tax years 2025–2028, employees may deduct the FLSA overtime premium — the “half” portion of time-and-a-half pay — up to $12,500 ($25,000 for joint filers).
- **Premium only:** Only the FLSA-required premium qualifies — not full overtime dollars, nor state or union overtime.
- **Employer reporting:** The qualified premium is reported in Box 14 of Form W-2 (code “FLSA OT Prem”) — voluntary for 2025, required for 2026.
- **Why it matters for MSP:** A new batch program, PR123, calculates the premium and populates the W-2 Box 14 field automatically.

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What we mean by compliance

You make the decisions

Infor does not decide how your enterprise interprets regulation. Policy and configuration choices remain yours.

We provide the tools

Infor delivers application capabilities configured to meet leading practice across payroll, benefits and core HR.

You own internal governance

Maintain internal controls and review so you operate within the regulatory guidelines that apply to your organization.

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Why now: the regulatory landscape

In the past, changes like these came every few years. Today they compound into months — on top of our traditional year-over-year updates to payroll, benefits and core.

SECURE 2.0 Act

Expanded retirement provisions phasing in on staggered effective dates, including Roth catch-up and auto-enrollment rules.

One Big Beautiful Bill

New federal tax provisions affecting withholding, deductions and reporting that flow directly into payroll calculations.

ACA updates

Shifting affordability thresholds and reporting requirements that affect benefits eligibility and year-end filing.

IRS IRIS and A2A

Modernized information-return filing, including application-to-application transmission, changing how data is submitted.

Annual payroll changes

Recurring year-over-year updates to tax tables, wage bases, contribution limits and jurisdictional rules.

Benefits and core updates

Open-enrollment plan changes, new offerings and core HR updates layered on top of regulatory change.

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Then versus now

Then

Major regulatory change arrived every few years — sometimes a decade apart. Teams had long runways to design, build and test each change on its own.

- Years between major changes
- Long design and test runways
- Each change handled in isolation

Now

Multiple changes now land within months and overlap. The same work is compressed, final specs arrive in waves, and the changes interact with one another.

- Months between changes, often overlapping
- Compressed build and test windows
- Changes interact and compound

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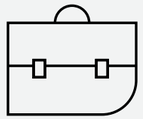
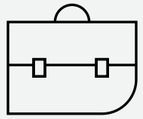
Why we code to final specs



We build to confirmed specs

Foundational work starts early, but detailed coding waits for final, confirmed specifications.



Specs arrive in waves

Regulatory authorities finalize details late and in stages, often shortly before the effective date.

Coding early carries risk

Building to draft specs forces rework and repeat QA, which can slow delivery and compromise quality.

- Rework whenever specs change
- Repeated QA cycles
- Risk to delivery timing and quality

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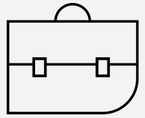
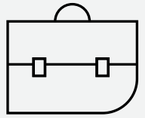
What we learned and are changing

We took this season as a chance to improve. Here is what we heard from you, and what we are changing in response.



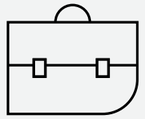
Publishing a delivery calendar

We are publishing a calendar so you can see delivery timing and dependencies with more transparency.



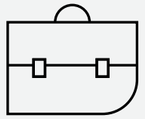
Clearer impact criteria

We are highlighting the settings, thresholds and data criteria that determine whether an issue affects you.



Richer known-issue articles

We are adding detail to known-issue KBs so you understand real impact, not just symptoms.



Documentation and guidance

We are reviewing our approach to documentation and guidance so it is easier to act on.

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Not every issue impacts every customer

Impact depends on your specifics

A reported issue only matters to you if your environment meets the criteria behind it. Knowing those criteria helps you focus on what is actually relevant.

- Specific configuration and settings
- Limit and volume thresholds
- Core data criteria for your employee population

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Where we can partner

Data Mining and tools

We use Data Mining and other resources to spot patterns and reproduce issues at scale.

Your scenarios are essential

No tool replaces your real configurations, plans and data. Your scenarios surface what ours cannot.

Test early, report back

When you test early and report findings on a schedule, we have time to respond before go-live.

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The multi-tenant advantage

Multi-tenant lets us deliver regulatory updates faster. There are no CTPs to apply and no separate sync environments to manage by hand.

That speed only works with partnership. Aligning your testing and reporting with our delivery windows is what makes it effective.

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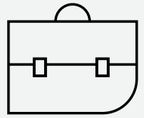
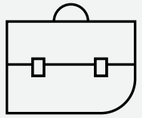
Velocity AI agents



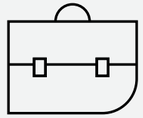
In-application agents

Velocity AI agents work inside the application to assist with compliance-related tasks.



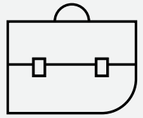
Guided through change

Agents help surface what changed, what it affects and what to check.



Focused validation

Agents help you concentrate testing on the scenarios that matter for your configuration.



Always improving

Capabilities expand over time as part of our future in-application tooling.

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Q1: Jan-Mar

- **Key Activities:** Initial payroll validation, Roth catch-up enforcement testing, LTPT eligibility confirmation
- **Owner:** Payroll/ Benefits

	January	February	March
What employees experience	• Employees age **50+ who earned more than $150,000 in 2025 FICA wages** immediately have **catch-up contributions treated as Roth (after-tax).** • Employees ages **60–63** become eligible for the new **"super catch-up" limit** (up to **$11,250** for 2026). • Newly eligible **long-term part-time (LTPT)** employees may begin making elective deferrals if they met the **500-hour, two-year rule.**	• High-earning employees may notice **lower take-home pay** due to Roth taxation on catch-ups. • Confusion may arise if paychecks differ from prior years.	• Continued participation by newly eligible LTPT employees. • Eligible employees begin approaching higher "super catch-up" amounts.

Employer operational reality	• Payroll systems must correctly:
	  • Identify $150k+ prior-year earners
	  • Automatically redirect catch-up contributions to Roth
	  • Apply **three distinct contribution tiers** (standard, age-50+, age-60–63)
	• Any payroll misconfiguration becomes an **immediate operational failure**, not just a year-end issue.
		• Responding to employee questions and complaints.
		• Confirming payroll accuracy after first full month of Roth catch-up enforcement.
		• Verifying LTPT employees were properly enrolled.
			• **Internal spot audits** of:
			  • Roth catch-up coding
			  • Age-based contribution limits
			  • Employees incorrectly blocked from catch-ups (especially if no Roth option exists)

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Q2: Apr-Jun

- **Key Activities:** Mid-year audit, confirm age-based limits, begin amendment coordination
- **Owner:** Payroll/ HR

	April	May	June
What employees experience	• First quarter contribution activity becomes visible. • Employees who changed deferral elections may reassess contribution levels.	• Stable participation, but questions may arise for those nearing age 60.	• Mid-year adjustments to deferrals are common.
Employer operational reality	• Begin **formal SECURE 2.0 amendment review** with counsel or recordkeeper. • Evaluate whether the plan's **default document language** matches employer intent (many defaults are conservative). • Decide on optional provisions (Roth match, student loan match, force-out increase).	• Mid-year payroll confirmation: • Ensure super catch-up thresholds are not exceeded or underapplied. • Continued LTPT hour tracking for future eligibility (2026 affects 2027 entrants).	• **Target deadline to finalize key amendment decisions**, even if documents won't be signed until later. • Assess readiness if the plan **does not offer Roth contributions**—a critical risk for high earners prohibited from catch-ups. • Begin documenting any known catch-up errors for later correction.

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Q3: Jul-Sep

- **Key Activities:** Pre-year-end testing, variance checks, correction identification
- **Owner:** Payroll/ Recordkeeper

	July	August	September
What employees experience	• Employees ages 60–63 may accelerate contributions toward higher limits.	• Little visible change, but contribution limits become more relevant.	• Employees reassess annual deferral totals heading into year-end.

Employer operational reality	• Confirm payroll is correctly enforcing:
	  • Maximum catch-up thresholds
	  • Roth-only catch-ups for high earners
	• Prepare communication reminders for year-end planning.
	• Verify year-end reporting (e.g. W2 boxes) have appropriate deduction class updates, as needed for accurate reporting (e.g. Roth).
		• Begin preliminary **year-end compliance planning**:
		  • Correction methods for catch-up failures (W-2 correction vs. in-plan Roth rollover).
		  • Tracking high earners who mistakenly made pre-tax catch-ups.
			• Initial testing considerations:
			  • Confirm LTPT employees are **included for deferrals but excluded from top-heavy testing**, where permitted.
			• Decide whether to increase the **involuntary cash-out limit to $7,000.**

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Q4: Oct-Dec

- **Key Activities:** Final reconciliation, corrections, W-2 prep, amendment deadline compliance
- **Owner:** Payroll/ Finance

	October	November	December
What employees experience	• Employees may rush to maximize remaining contribution limits.	• Final opportunity to adjust contributions. • High earners may realize they cannot “true up” catch-ups if errors occurred.	• End-of-year contribution reconciliation. • Some may receive notices if corrections are required.

Employer operational reality	• **Deadline pressure begins**:
	  • Draft amendment language circulated.
	  • Final payroll audits before Q4.
	• Increased employee communications about Roth catch-ups and year-end planning.
		• Finalize:
		  • SECURE 2.0 amendments
		  • Correction documentation for contribution failures
		• Coordinate with payroll and recordkeepers on year-end reporting.
			• **December 31, 2026: Final deadline to adopt SECURE 2.0 amendments** for most plans.
			• Complete:
			  • Catch-up corrections
			  • Testing implications
			  • Documentation of Roth catch-up compliance
			• Failure to act by year-end **risks formal plan document failures.**

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Key takeaways

01

Tools, not decisions

Infor provides tools to meet leading practice; your governance keeps you compliant.

02

Change is compounding

Regulatory change now arrives in months and overlaps, on top of annual updates.

03

More transparency

A published calendar, richer known-issue detail and clearer impact criteria.

04

Partnership is the key

Your scenarios, early testing and timely reporting let multi-tenant deliver fast.

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Questions?

Thank you

10 minutes for Q&A

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