

Deferred Compensation Plan

New Temporary Provisions Through the Federal CARES Act

The federal Coronavirus Aid, Relief, and Economic Security (CARES) Act provided some temporary emergency provisions for retirement plans due to the COVID-19 emergency, which the City's Deferred Compensation Plan has adopted. The provisions are available for participants in the deferred compensation program who meet the qualifying criteria in the legislation. These provisions include tax-favored withdrawals, increased loan limits, and delays on repayment of outstanding loans for up to one year for reasons related to the COVID-19 emergency. Employees interested in these temporary provisions, should contact the following for assistance:

ICMA-RC

Scott Berry (866) 838-2102 or sberry@icmarc.org

Participant Services (800) 669-7400

New In-Service Withdrawal Features and Required Minimum Distribution Changes for 457 Deferred Compensation Accounts

Effective September 1, 2020, the City of Tacoma Deferred Compensation 457 Plan has been amended to allow for additional in-service access to withdrawals while employed. Additionally, the commencement of Required Minimum Distributions has been changed from age 70 ½ to age 72. The new provisions are made available as part of the SECURE Act passed into law on December 20, 2019. Please contact your account representatives from ICMA-RC and Nationwide Retirement Solutions if you have questions on these provisions, or for access to associated forms.

In-Service Withdrawals at age 59 ½

Current employees will be permitted to withdraw funds from the plan upon attaining age 59 ½.

Qualified Birth and Adoption Distributions

The plan will permit participants to receive a distribution of up to \$5,000 per qualifying birth or adoption during the one-year period beginning on the date when an eligible child of the account owner is born or the date when the legal adoption of an eligible adoptee of the account owner is finalized. A qualified adoption distribution would be limited to the adoption of children who are under age 18 or who are physically or mentally incapable of self-support. The distribution can be repaid into the account in the form of an incoming rollover without regard to the usual 60-day time limit for rollovers.

Required Minimum Distributions

The age for commencing Required Minimum Distributions has been increased from age 70½ to 72. The SECURE Act does not change RMD requirements for participants who reached age 70½ or older in 2019.

Questions/Assistance?

ICMA-RC Representative: Scott Berry sberry@icmarc.org (866) 838-2102

Nationwide Retirement Solutions Representative: Mike Ferguson m.ferguson@nationwide.com (509) 385-7825

Benefits Office: benefits@cityoftacoma.org or (253) 573-2345