

**Deferred Compensation**  
**April 22, 2020**  
**Tacoma Municipal Building**  
**Zoom meeting**  
**10:00am – 11:00am**

**Committee Members Present:** Jim Sant, Utilities Director, Deputy  
Kari Louie, Senior Compensation and Benefits Manager  
Teresa Sedmak, City Treasurer  
Chris Bacha, City Attorney, Deputy  
Gary Buchanan, Human Resources Director

**Committee Members Absent:** Alice Phillips, Business Manager, IBEW 483

**Committee Staff Present:** Greg Settle, Hyas Group, Senior Consultant  
Charles Lee, City Attorney, Deputy  
Diane Peterson, Human Resources Specialist

**The meeting came to order at 10:08 am**

**I. Meeting Purpose: CARES Act Provisions: Determine course of action for the City's 457 Plan**

Greg Settle reviewed the mandatory and optional provisions regarding the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) which was signed into law by the President on March 27, 2020.

**Mandatory Provision:** RMD Waiver. There is a mandatory temporary waiver in place for required minimum distributions (RMDs) for calendar year 2020. RMDs from defined contribution plans and IRAs will be waived for calendar year 2020. This provision applies to the City of Tacoma's Deferred Compensation Plans. ICMA-RC and Nationwide Retirement Solutions will set up their processes to accommodate changes in the law related to these distributions.

**Optional Provisions:** (1) Coronavirus-Related Distributions (CRD), and (2) Enhanced Loans. To qualify for either option, participants must self-certify that they meet SARS-CoV-2 or COVID-19 qualifying conditions. Plan sponsors must adopt these optional provisions and may rely upon participant certifications that they satisfy the conditions of qualification.

**CRD: Tax-favored withdrawals up to \$100,000.** Participants may withdraw up to \$100,000 of their vested balance from their City of Tacoma 457 account during calendar year 2020. Ordinary income tax applies but may be spread pro-rata over three years. Participants may also pay back the distribution within the three-year period.

**Enhanced Loans: Loan limit increase and deferred repayment option.** Loan limits temporarily increase from \$50,000 or 50% of the vested account balance to \$100,000 or 100% of vested account balance, whichever is less. This provision is available until September 23, 2020. Existing loan payments due through December 31, 2020 can be delayed for up to one year and will be re-amortized.

A motion was made to approve each of the three CARES Act provisions as written.

**1<sup>st</sup> motion:** Chris Bacha

**2<sup>nd</sup> motion:** Gary Buchanan

There was no further discussion. Approved: 5. Opposed: 0. The motion passed.

**Meeting adjourned at 11:07 am.**