

## **BCC Meeting April 23, 2020**

**Attendance:** Barczak, Amy; Beebe, Lauran; Biesemeyer, Brian; Callaway, Katie; Doyle, Judy; Ganger, Darlene; Gilbride, Joyce; Gravitt, Andee; Johnson, Ana Lia; Keeler, Jim; Nichols, Jeff; Nacario, Paul; Stockwell, Brent; Tewell, Gordon; Thompson, Jim; Valliere, Eric; Worth, Dan;

- Meeting was called to order at 2pm by Lauran Beebe
- Lauran, Andee Gravitt from Nationwide and Gordon Tewell of Innovest began with discussion of The Coronavirus Aid, Relief and Economic Security Act or CARES Act. Passed on March 27, 2020, the CARES Act is a \$2 trillion stimulus bill aimed at helping the people, states and businesses devastated by the Covid-19 pandemic. There are items that are mandatory and need no decision from the BCC which include:
  - Relief from Required Minimum Distribution (RMD) Rules:
  - The CARES Act would waive RMD payments for retirement plans (including 401(k), 403(b), governmental 457(b), and IRAs) due in calendar year 2020.

There are provisions of the Act which affect Retirement Plans for qualified individuals and would require Plan action, including:

- Tax-favored withdrawals up to \$100,000 until December 31, 2020.
  - The additional 10% early withdrawal tax is waived (not applicable to 457 Plans unless employees had 401k rollover money).
  - Participants will have up to three years to pay taxes on the withdrawal.
  - Participants can repay all or a portion of the distribution within three years; the repayments are not subject to contribution limits.
- Expanded access to loans for 180 days after enactment of the law (March 27, 2020 to September 23, 2020).
  - New Loans:
    - Loans are normally due within a 5-year period, and payments normally begin within the first year. This Act allows participants to delay payments for one year, which defers payments on the loan to years 2 through 6 of the loan periods. The Act also doubles the current retirement plan loan limits to the lesser of \$100,000 or 100% of the participant's vested account balance.
  - Existing Loans:
    - Existing loans will also be able to delay repayment for up to one year.
    - Interest on loans will continue to accrue.

To qualify for the withdrawal and loan provisions, participants must self-certify they are someone:

- Who is diagnosed with the SARS-CoV-2 virus or with coronavirus disease 2019 (COVID-19);
- Whose spouse or dependent is diagnosed with above viruses; or

- Who experiences adverse financial consequences as a result of being quarantined, furloughed, laid off, or having work hours reduced; being unable to work due to lack of child care due to COVID-19; or closure or reduction in hours of a business owned or operated by the individual due to the viruses.
- NO additional documentation is required outside of the self-certification which is unlike the Unforeseeable Emergency process

After discussion within the BCC, including communication to participants, the BCC agreed to:

- Accept tax-favored distributions up to \$100,000
- Accept the delayed repayment of existing loans for up to one year

Meeting was adjourned at 2:34pm.