Deferred Compensation Plan Amendment

July 21, 2020

office of
COMMUNITY INVESTMENT
and INFRASTRUCTURE

Deferred Compensation Plan Amendment

Deferred Compensation Plan Basics

- OCII offers 457 deferred compensation plan,
- Mass Mutual administers deferred compensation program,
- Mass Mutual administers according to Plan Document, which must conform to IRS regulations, and
- Plan document last amended in 2007.

Scope of Work

Proposed Changes

- **Reflect changes to IRS Regulations since last amendment**
  - Make eligible compensation received as independent contractor,
  - Treat compensation received for military pay as employer pay, and
  - Allow changes to deferral amounts allowed anytime, instead of quarter end.

- :**Allow employee to borrow from withheld earnings**
  - Borrow up to $50,000 or 50% of vested amount,
  - Borrow at interest rate equal to prime rate + 1 percent, and
  - Repay via automatic withdrawals from employee designated account.

- **Incorporate benefits allowed by CARES Act**
  - Allow penalty free withdrawals up to $100,000 in 2020 for COVID-19 impacts
  - Increase loan amount to $100,000 and 100% of vested amount,
  - Suspend loan repayments for one year, and
  - Waive minimum distributions .

Scope of Work

Consultation with Labor

- OCII met with Local 21 and SEIU union and staff representatives on June 30, 2020, and
- Local 21 and SEIU had no objections.

Questions & Comments