



STAFF REPORT

DATE February 17, 2023

TITLE:

Tahoe Donner Association 457(b) Plan SECURE Act Amendment

RECOMMENDATION:

By Motion,

Approve the attached resolution which amends Tahoe Donner’s 457(b) plan and brings it into compliance with the SECURE Act.

BACKGROUND:

Tahoe Donner offers employees, dependent on eligibility requirements, the opportunity to participate in salary savings plans including a 401(k) and 457(b) and (f). At times, the plan documents require updating resulting from regulatory changes, trustee changes, etc.

The board is being asked to consider approving a required 457(b) plan amendment to account for federal regulation changes related to the SECURE Act.

ANALYSIS:

The SECURE Act was made into law in 2019 and carried with it some notable changes including but not limited to,

- Changing the age for required minimum distributions
- New parents can take distributions penalty-free withdrawals
- Updating time-limit for distributions on inherited retirement plans to 10 years

Plans typically only have to amend their plans every few years as a result of legal changes, in Tahoe Donner’s case an update to plan documents is needed to reflect the regulatory changes in 2019. Plan Sponsors are often given wide discretion when making and amending their plan documents. At a certain date, however, if the plan is not updated it can fall out of compliance, which is why this amendment is coming in front of the board. More changes will come as Congress just passed the SECURE Act 2.0 which will include even more changes to the plan documents in the future.

OUTREACH:

None

FISCAL IMPACT:

None





ALTERNATIVE:

There are no alternatives provided by staff. This is a regulatory update requiring plan amendments.

ATTACHMENTS:

Exhibit A: TDA 457b Plan SECURE Act Amendment and Resolution

Prepared By: Annie Rosenfeld, Director of Administrative Services

Reviewed By: Todd Martyn-Jones, Director of Finance, Accounting and Business Services

Board Meeting Date: February 15, 2023

General Manager Approval to Place on the Agenda: _____

