

# REQUEST FOR BOARD ACTION

## HENDERSON COUNTY

### BOARD OF COMMISSIONERS

**MEETING DATE:** February 3, 2020

**SUBJECT:** Compliance change to Federal law

**PRESENTER:** Charles Russell Burrell

**ATTACHMENT(S):** None

#### **SUMMARY OF REQUEST:**

On December 20, 2019, Congress passed and President Trump signed the "SECURE Act" - ("Setting Every Community Up for Retirement Enhancement" Act) - regarding retirement plans permitted under the Internal Revenue Code for deferred compensation.

The County's current "cliff method" of determining employee eligibility based on employee contributions to the plan prior to any employer match is no longer permitted. Under the current method, the County contributes two percent of the employee's compensation to the County sponsored 401(k) or 457(b) plans, so long as the employee as contributed *at least* two percent of their compensation.

To be compliant, the County's match should "match the employee's contribution to the County sponsored 401(k) or 457(b) plans, *up to* two percent of the employee's earnings."

County staff will be present and prepared if requested to give further information on this matter.

#### **BOARD ACTION REQUESTED:**

Change in the employer match for the County's sponsored deferred compensation plans.

If the Board is so inclined, the following motion is suggested:

***I move that the County match each employee's contributions to the County sponsored 401(k) or 457(b) plans, up to two percent of the employee's earnings.***