



**EAST BAY REGIONAL PARK DISTRICT
BOARD OF DIRECTORS MEETING
AGENDA STAFF REPORT**

DATE July 30, 2024

TITLE Authorization to Amend the East Bay Regional Park District's 457(b) Deferred Compensation Plan to Add Qualified Disaster Recovery Distributions Pursuant to the Disaster Tax Relief Provisions of the SECURE ACT 2.0 and Approval of the Final Adoption Agreements for the 401(a) Plan and the 457(b) Deferred Compensation Plan

DIVISION Finance and Management Services

FROM Katie Dignan, Assistant Finance Officer
Deborah Spaulding, Assistant General Manager, Finance and Management Services, / Chief Financial Officer

APPROVED Sabrina Landreth, General Manager 

RECOMMENDATION

The General Manager recommends that the Board of Directors of the East Bay Regional Park District approve an amendment to the Park District's 457(b) Deferred Compensation Plan, adding Qualified Disaster Recovery Distributions pursuant to the disaster tax relief provisions of the SECURE ACT 2.0 and approval of the Final Adoption Agreements for the 401(a) Plan and the 457(b) Deferred Compensation Plan.

BACKGROUND

The East Bay Regional Park District ("Park District") has offered 457(b) deferred compensation plans to its employees since 1981. The 401(a) plan was originally effective on July 1, 1997. On October 3, 2023 the Board of Directors authorized the Park District to enter into an agreement with Empower Personal Wealth, LLC for Deferred Compensation Advisory Services. In order to complete the transition from MissionSquare to Empower and transition the funds the Adoption Agreements which amended and restated the provisions of the 401(a) Plan and the 457(b) Deferred Compensation plan became effective on April 1, 2024. The Adoption Agreements contain the terms, conditions, and provisions of the Plans. As the Board is the fiduciary of the deferred compensation plan approval of the Final Adoption Agreements is required.

The Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019 was created to expand access to workplace retirement plans. In 2022 SECURE 2.0 was passed building on the Act of 2019, expanding and increasing retirement savings, and simplifying and clarifying retirement plan rules. The Act contains more than 90 required and optional provisions with effective dates ranging from 2022 through 2033. One of the optional provisions is the Qualified Disaster Recovery Distributions. For disasters occurring on or after January 26, 2021, the Plan may issue one or more Qualified Disaster Recovery Distribution(s) to a Plan account owner who is a Qualified Individual in an amount not to exceed \$22,000 per disaster. Participants may repay all or part of the distribution within three years. The Park District must decide whether it would like to add Disaster Distributions

to the plan by August 9, 2024. If added to the plan the change would be effective October 15, 2024.

On June 24, the Deferred Compensation Advisory Committee met and discussed the optional provision for Qualified Disaster Recovery Distributions. The Committee recommends that the Qualified Disaster Recovery Distributions provision be added to the Deferred Comp 457(b) plan.

This item was reviewed by the Board Finance Committee on July 24, 2024.

ANALYSIS

With the increase in natural disasters such as wildfires and flooding events in the area this option provides plan participants with access to their funds if that are impacted by a disaster and in need of support. The amount of individual withdrawal is limited to up to \$22,000 and is only applicable to individuals that reside in the qualified area that sustained economic loss during the qualified disaster.

FISCAL IMPACT

There is no fiscal impact to the Park District to amend the Plan to add the SECURE Act provision for Qualified Disaster Recovery Distributions.

ATTACHMENTS

None



**EAST BAY REGIONAL PARK DISTRICT
RESOLUTION NO. 2024 – 07 -
JULY 30, 2024**

**AUTHORIZATION TO AMEND THE EAST BAY REGIONAL PARK DISTRICT'S
457(B) DEFERRED COMPENSATION PLAN TO ADD QUALIFIED DISASTER
RECOVERY DISTRIBUTIONS PURSUANT TO THE DISASTER TAX RELIEF
PROVISIONS OF THE SECURE ACT 2.0 AND APPROVAL OF FINAL ADOPTION
AGREEMENTS FOR THE 401(A) PLAN AND THE 457(B) DEFERRED
COMPENSATION PLAN**

WHEREAS, the East Bay Regional Park District (“Park District”) has offered a 457 and 401a deferred compensation plans to its full-time employees since 1981; and

WHEREAS, the Board of Directors authorized the transition of the Park District’s Deferred Compensation Plan Administration to Empower Personal Wealth, LLC on October 3, 2023; and

WHEREAS, the Board of Directors has maintained fiduciary responsibility for the deferred compensation plans; and

WHEREAS, the Park District established an Advisory Committee to make recommendations regarding the Park District’s 457 Deferred Compensation Plan; and

WHEREAS, the Deferred Compensation Advisory Committee has recommended adding Qualified Disaster Recovery Distributions to the Plan; and

WHEREAS, the Final Adoption Agreements for the 401(a) plan and 457(b) deferred compensation plan were reviewed and revised as part of the transition of the Park District’s Deferred Compensation Plan Administration to Empower Personal Wealth, LLC and require approval.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the East Bay Regional Park District hereby authorize an amendment to the 457(b) Plan to include Qualified Disaster Recovery Distributions and approve the Final Adoption Agreements for the 401(a) plan and 457(b) deferred compensation plan as presented to the Board on July 30, 2024; and

BE IT FURTHER RESOLVED, that the General Manager is hereby authorized and directed, on behalf of the Park District and in its name, to execute and deliver such documents and to do such acts as may be deemed necessary or appropriate to accomplish the intentions of this resolution.

Moved by Director _____, and seconded by Director _____, and adopted July 30, 2024, by the following vote:

FOR:

AGAINST:

ABSTAIN:

ABSENT: