

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT  
BOARD OF EDUCATION  
AGENDA STATEMENT

No. 9 c

MEETING OF March 11, 2020

Reviewed By

Item Title:

**CONSENT CALENDAR**

Motion to approve Resolution 20-06 approving  
and adopting amendment to the 457(b) Retirement Plan

☒ Superintendent  
☒ Finance

SUBMITTED BY Katie Jo Parrott, Business Manager

Contact Person/Telephone

Katie Parrott  
Name

247-2116  
Phone

APPROVED FOR SUBMITTAL

Elizabeth Langee  
Superintendent

**SUMMARY STATEMENT:**

District administration is recommending a change to the age requirement for in-service withdrawals by employees who have 457(b) plans.

**BACKGROUND:**

In December 2019, the Bipartisan American Miners Act of 2019 (Miners Act) was passed. The Miners Act gives 457(b) plan sponsors the option to permit in service withdrawals at 59 1/2 instead of 70 1/2. This is something that has never been allowed previously since the IRS mandated the age be 70 and 1/2 before this act was passed. Unlike the mandatory elimination of the six month contribution suspension after an unforeseeable emergency withdrawal, this feature is optional. District administration would like to take advantage of the age decrease for in service withdrawals to benefit district employees with 457(b) plans. There is no additional administrative burden on the district to make this change. (OMNI handles full administration of the plan.)

**ISSUE:**

All plan amendments must be approved in resolution by the Board of Education.

**RECOMMENDATION:**

Administration recommends approval of Resolution #20-06.

**FISCAL NOTE**

☒ N/A EXPENDITURE  
REQUIRED \$ \_\_\_\_\_

AMOUNT  
BUDGETED \$ \_\_\_\_\_

**ATTACHMENTS:**

- Resolution 20-06

**RECOMMENDED ACTION:**

"I move to approve Resolution #20-06 adopting 457(b) Retirement Plan amendments as presented."



**KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT  
RESOLUTION #20-06**

**IN-SERVICE WITHDRAWAL AGE AMENDMENT to the  
Ketchikan Gateway Borough School District  
457(b) RETIREMENT PLAN**

WHEREAS, the KETCHIKAN GATEWAY BOROUGH SCHOOL DIST. ("Plan Sponsor") maintains the KETCHIKAN GATEWAY BOROUGH SCHOOL DIST. 457(b) Retirement Plan ("Plan"); and

WHEREAS, pursuant to the Bipartisan American Miners Act of 2019 (Miners Act), the Plan Sponsor wishes to amend the written terms of the Plan in a good faith effort to meet the requirements of law, regulations or other issuances regarding unforeseeable emergency distributions; and

WHEREAS, this amendment is intended as a good faith effort to comply with the in-service withdrawal age decrease as set forth in the Miners Act and is to be construed in accordance with the same. Both the Amendment and the Miners Act will supersede any inconsistent Plan provisions;

NOW, THEREFORE, BE IT RESOLVED that section 13.1 "Retirement Distribution" in the OMNI Group, Inc. Model 457(b) Deferred Compensation Plan – Basic Plan Document is hereby amended to read as follows:

**Retirement Distribution**

On his or her Severance-from-Employment, a Participant is entitled to receive his or her Account under any Payout Option that meets the provisions of the Plan, including ¶ 13.3.

Beginning with the Year in which the Participant attains age 59½, a Participant is entitled to receive his or her Account under any Payout Option that meets the provisions of the Plan, including ¶ 13.3.

NOW, THEREFORE, BE IT FURTHER RESOLVED that section 16.1 "Claim for Distribution" in the OMNI Group, Inc. Model 457(b) Deferred Compensation Plan – Basic Plan Document is hereby amended to read as follows:

**Claim for Distribution**

A Distribution is paid only on a completed and properly executed written Claim made in a form acceptable to the Employer that states all facts necessary to the payment of the Distribution, including but not limited to:

- if the Distribution is a Retirement Distribution, Evidence that the Participant has a Severance-from-Employment or has attained age 59½;
- if the Distribution is a Death Distribution, Evidence of the Participant's death;
- if the Distribution is an Emergency Distribution, a written statement consistent with ¶ 12.2;
- the Participant's, Beneficiary's, or Alternate Payee's date-of-birth;

- the date-of-birth of any Person as relevant to the Distribution;
- if the Distribution is an Eligible Rollover Distribution, the Distributee's instruction concerning whether the Distribution (or a portion of the Distribution) is to be paid directly to an Eligible Retirement Plan, and if any amount is to be paid directly to an Eligible Retirement Plan, the name and address of the trustee, custodian, or insurer of that Eligible Retirement Plan together with any other information that the Employer reasonably requests;
- if the Account consists of more than one Funding Vehicle, the order in which any Funding Vehicles are to be redeemed or charged to pay the Distribution;
- if the amount of the Distribution is greater than a uniform amount established by the Employer, appropriate assurance that the Claimant's signature is genuine; and
- any other Evidence that the Employer Finds is relevant to administer a Plan provision in the Distributee's circumstances.

BE IT FURTHER RESOLVED that the Plan, as restated and amended is hereby approved and adopted.

IN WITNESS WHEREOF, the Plan Sponsor has caused this Resolution and Amendment to be adopted this \_\_\_\_ day of \_\_\_\_\_, 2020.

**Ketchikan Gateway Borough School District**  
**By: The Board of Education**

\_\_\_\_\_  
**Bridget Mattson, President**

\_\_\_\_\_  
**Diane Gubatayao, Clerk-Treasurer**