



## Meeting Minutes | Special Board of Directors Meeting

Friday, April 17, 2020 | 9:00 a.m.

Via Teleconference

Minutes Approved July 22, 2020

**Board Members Present Via Telephone:** Ms. Jennifer Blumenthal, Mr. Calvin Elam, Mr. Steve Heisler, Ms. Paige Lewis, Sheriff Leon Lott, Mr. Steve Matthews, Mr. Chuck Richardson, Mr. Alex Shissias, Chairman John Sowards, and Mr. Ed Walton.

**Board Members Absent:** Vice Chairman Joe “Rocky” Pearce

**Others Present for All or a Portion of the Meeting Via Telephone:** Peggy Boykin, Ashley Brindle, Robby Brown, Heather Muller, Travis Turner, Stephen Van Camp, and Justin Werner from the South Carolina Public Employee Benefit Authority (PEBA).

### I. Call to Order

Chairman John Sowards called the special PEBA Board of Director’s (Board) meeting to order at 9:00 a.m. and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

### II. Implementation of the CARES ACT

Ms. Peggy Boykin, Executive Director, explained that The Coronavirus, Aid, Relief and Economic Security (CARES) Act, enacted on March 27, 2020, made a number of changes to federal law related to retirement plans, including several measures designed to provide retirement plan participants who are affected by the coronavirus outbreak with greater access to their retirement funds. Ms. Boykin stated that the retirement provisions of the CARES Act that are mandatory, such as the waiver of required minimum distributions (RMDs) for defined contribution plans for 2020, are already in the process of being implemented for the defined contribution plans offered by PEBA. Other provisions, such as new types of in-service distributions and expanded loan limits, are permissive and the Board must approve to adopt the provisions to apply to the South Carolina Deferred Compensation Program.

Ms. Boykin added that the provisions of the CARES Act do not affect all retirement plans in the same way. For example, even with the changes made by the CARES Act, 401(a) defined contribution plans, like the State Optional Retirement Program (State ORP), are not permitted by federal law to make in-service distributions to a participant prior to age 59 ½. Ms. Boykin added that with the Board’s approval, if the federal government takes future action that would allow in-service coronavirus-related distributions from 401(a) defined contribution plans before normal retirement age, PEBA will be deemed to have adopted those distributions for the State Optional Retirement Program (State ORP), with conforming plan amendments to be made at a later time.

Mr. Steve Heisler made a motion, which was seconded by Ms. Paige Lewis, and approved unanimously, that for the plans offered in the South Carolina Deferred Compensation Program, PEBA hereby adopts the permissive relief authorized by the CARES Act for participants of governmental 401(k) and 457(b) plans to the full extent permitted under the Act, with conforming plan amendments to be made at a later time.

Ms. Lewis requested that educational materials be provided to participants so that they will be made aware of the advantages and disadvantages of taking early retirement distributions. Chairman Sowards asked Ms. Boykin to direct Empower Retirement to provide the requested educational materials to members.

Mr. Heisler made a motion, which was seconded by Mr. Alex Shissias, and approved unanimously, for the State Optional Retirement Program, if the federal government takes future action that would allow in-service coronavirus-related distributions from 401(a) defined contribution plans before normal retirement age, PEBA be deemed to have adopted those distributions for the State ORP, with conforming plan amendments to be made at a later time.

Ms. Lewis requested that educational materials also be provided to State ORP participants so that they will be made aware of the advantages and disadvantages of taking early retirement distributions. Chairman Sowards asked Ms. Boykin to direct the State ORP to provide the requested educational materials to State ORP members if the provisions are made available in the future.

### **III. Adjournment**

There being no further business, and upon a motion which was seconded and approved unanimously, the special Board meeting adjourned at 9:10 a.m.