

401K COMMITTEE
AGENDA
THURSDAY JUN 30, 2022 @ 11:00AM
VIA ZOOM

PAGE

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- I. CALL TO ORDER
- II. ROLL CALL
- III. NATIONWIDE 401K CORRESPONDENCE (APPROVAL FOR SIGNATURE BY BOARD CHAIR AFTER REVIEW AND APPROVAL BY CORPORATION COUNSEL)
- VI. ANNOUNCEMENTS
 - A. NEXT REGULAR MEETING – AUGUST 9TH, 2022 AT 11:00AM, PERSONNEL CONFERENCE ROOM, 515 CENTER AVENUE 3RD FLOOR, BAY CITY, MI 48708
- VIII. UNFINISHED BUSINESS
- IX. NEW BUSINESS
- X. MISCELLANEOUS BUSINESS
- XI. ADJOURNMENT

Action required: Third Cycle Restatement Announcement Bay County 401k Plan 36619002

Tillery, Jaclyn D <TILLERJ3@nationwide.com>

Fri 2/11/2022 9:52 AM

To: Rebecca Marsters <marstersr@baycounty.net>

Cc: Kelbel, Kenneth <KELBELK@nationwide.com>

📎 2 attachments (2 MB)

0036619002.ZIP; 0036619002.sta.pdf;

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Dear Rebecca,

The Internal Revenue Service ("IRS") has regulations that require all pre-approved Plan documents to be completely restated every six years to conform with recent law updates and to comply with your Plan's operation since the last restatement period. This is commonly referred to as a restatement. Now that a new restatement cycle is upon us (referred to as the Third Cycle Restatement), we have been working diligently on updating your Plan documents.

What you need to know

Nationwide Retirement Solutions is pleased to inform you that the IRS has provided an Opinion Letter related to our pre-approved Plan document and that your Plan documents have now been restated. This means that your Plan documents are ready for your review and execution. Attached for review and execution are the restated Adoption Agreement, Basic Plan Document ("BPD"), Summary of Plan Provisions ("SPP") and, if needed, either the Trust Agreement or the Special Trustee Agreement.

Plan details

Plan name: Bay County 401k
Plan number: 0036619002

What you need to do

Please review the attached Adoption Agreement, BPD, SPP and, if needed, either the Trust Agreement or Special Trustee Agreement. As you are reviewing your updated Plan documents, which should reflect the Plan provisions previously adopted in your prior document, please remember that we are here to help should you have any questions.

Once you have reviewed your Plan documents and have verified that they are properly reflecting your day-to-day operation, you will need to execute and date the Adoption Agreement and, if needed, either the Trust Agreement or the Special Trustee Agreement and return a copy of both documents to us.

Understanding the details

Since a restatement is a complete rewriting of your Plan document, there will be new Plan provisions within your Adoption Agreement. These new provisions need to be reviewed carefully to make sure they comply with the way that you are administering your Plan today and the way you have administered your Plan historically. For your convenience, we wanted to highlight some of the important updates to your Plan document below. As you review these elections, please keep in mind that you can select a different option when necessary or appropriate for your Plan design, so please let your Relationship Consultant know if you need to change any of the elections in the Adoption Agreement.

What has changed

Beyond rearranging the provisions to be more intuitive and minor updates to the provisions, there are five major distinctions in the provisions of the documents between the Third Cycle documents and the old PPA documents.

1. The IRS will no longer provide a ruling on any trust and/or custodial provisions. Therefore, all of these provisions had to be removed from the Third Cycle documents which means that some Plans will now have a separate trust agreement which will be used in conjunction with the Third Cycle documents. If needed, Nationwide will include a Trust Agreement for your review and execution.
2. The IRS required enhanced clarification in the provisions related to the Discretionary Match. If your Plan has a discretionary match feature, we have already reached out to you to understand your intent with these new provisions and we will integrate those elections that you have directed us to incorporate into your document.
3. The Computation Period of any Employer contributions now defines if a true-up calculation is needed or not.
4. If your Plan has an automatic escalation of affirmative elections, then any deferral elections under a 401(k) will expire annually.
5. Any Employer contribution provisions can no longer reference outside documents (such as a Collective Bargaining Agreement). Instead, the IRS is requiring the formula be entered into the "Other" section.

As with every restatement, you should carefully review all of the elections in the Adoption Agreement and all related Plan documentation to make sure they represent how you are administering your Plan. Remember that you, as the Plan Administrator, are responsible for the Plan document and for ensuring that the Plan document is in alignment with actual Plan operation. Many of the pre-populated Adoption Agreement elections represent elective Plan features and the responses can be changed to match your plan design. In addition, you may wish to change other mapped elective Plan features.

We're here to help

We appreciate the opportunity to be of service for your Plan and our continued partnership. If you have any questions or need additional information, please contact us at 877-496-1630. We're available Monday through Thursday, 8 a.m. to 8 p.m. and Friday, 8 a.m. to 6 p.m. Eastern time.

Sincerely,

Jackie Tillery

Nationwide Retirement Solutions



Nationwide®
is on your side

Jackie Tillery

Relationship Consultant

Retirement Solutions

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