The Deferred Compensation Plan for Public Employees, the County of Cook
Summary of Proposed Plan Changes – 2025

Background

The Cook County Board of Commissioners first created a 457(b) Deferred Compensation Plan for the benefit of employees in February 1978. The Guiding Plan Document was last amended by the Cook County Board of Commissioners in July 2016.

Today, Plan participation is over 16,000 with approximately $2B in assets. Participants can choose to allocate their contributions to target date funds, asset allocation funds, stock or bond funds as well as a fixed option. The County contributes no funding to any of the plan choices and encourages participant education before making an individual investment selection of their voluntary contribution.

This Plan Document update focuses on general language clean-up, compliance with Federal regulatory changes, operational considerations, and liability protections for the Board and Committee. The State's Attorney's Office, Deferred Compensation Committee Plan's outside counsel. Morgan-Lewis, current record-keeper, Nationwide Retirement Solutions, the Cook County Comptroller's Office, and the Deferred Compensation Committee contributed to the review.

Proposed Updates

1. ***Compliance - The Plan Document is required to reflect Federal regulatory changes and additional plan elements:***
    A. ***CARES Act*** **(Coronavirus Aid, Relief, and Economic Security)** In an effort to provide economic relief to 457(b) participants and others due to the COVID-19 pandemic, the CARES Act was signed into law on March 27, 2020. The CARES Act includes multiple provisions which impacted 457(b) plans and which were adopted by the Committee during the pandemic, including loan repayment suspension, Coronavirus Related Distributions (CRD) , and temporary suspensions of Required Minimum Distributions.

B. ***SECURE Act (Setting Every Community Up for Retirement Enhancement)*** The federal legislation approved in 2019 (SECURE 1.0) and 2022 (SECURE 2.0) included a number of phased provisions which are intended to strengthen retirement readiness. These range from the elimination of the first of the month rule which historically delayed implementation of plan elections to the implantation of a higher Catch-Up Provision for those ages 60-63.

C. ***Roth Salary Reduction Contributions –*** Contributions to a designated Roth account were previously authorized under the Plan document and went into effect January 1, 2024. Additional Secure 2.0 Roth provisions will be implemented as required.

Act/Provision	Mandatory	Opt.	Adopted	Effective	Committee Review
Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE 1.0) (December 20, 2019)					
Section 114. Increase in Age for Required Beginning Date for Mandatory Distributions	X			1/1/2020	2/18/2020
Section 401. Modification of Required Distribution Rules for Designated Beneficiaries	X			1/1/2020	2/18/2020
Section 113. Penalty-Free Withdrawals From Retirement Plans for Individuals in Case of Birth of Child or Adoption		X	No		2/18/2020
Bipartisan American Miners Act (December 20, 2019)					
Section 104. Reduction in Minimum Age for Allowable In-Service Distributions		X	No		2/18/2020; 11/16/2021
Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27, 2020)					
Section 2202. Special Rules for Use of Retirement Funds					
Coronavirus Related Distributions		X	Yes	4/9/20	Special committee meeting - 4/9/20
Loans (Increased Limit; Repayment Delay)		X	Repay Delay	4/9/20	Special committee meeting - 4/9/2020
Section 2203. Temporary Waiver of Required Minimum Distribution Rules for Certain Retirement Plans and Accounts	X			Tax Year "20	Special committee meeting - 4/9/2020
Setting Every Community Up for Retirement Enhancement Act of 2022 (SECURE 2.0) (December 29, 2022)					
Section 107. Increase in Age for Required Beginning Date For Mandatory Distributions	X			1/1/2023	Special committee

Section 306. Eliminate the "First Day of the Month" Requirement for Governmental 457(b) Plans		X	Yes	10-19-23	5/17/2023
Section 329. Modification of Eligible Age for Exemption From Early Withdrawal Penalty	X			1/1/2023	Informational
Section 330. Exemption From Early Withdrawal Penalty for Certain State and Local Government Corrections Employees	X			1/1/2023	Informational
Section 302. Reduction in Excess Tax on Certain Accumulations in Qualified Retirement Plans	X			1/1/2023	Informational
Section 328. Repeal of Direct Payment Requirement on Exclusion From Gross Income of Distributions From Government Plans for Health and Long-Term Care Insurance		X	No		To be discussed
Section 325. Roth Plan Distribution Rules	X			1/1/2024	Informational
Section 327. Surviving Spouse Election to be Treated as Employee	X			1/1/2024	Informational
Section 311. Repayment of Qualified Birth or Adoption Distribution Limited to 3 Years (see SECURE 1.0)	X			1/1/2023	Informational
Section 115. Withdrawals for Certain Emergency Expenses		X	No		To be discussed
Section 312. Employer May Rely on Employee Certifying That Deemed Hardship Distribution Conditions are Met		X	No		2/18/2020
Section 109. Higher Catch-Up Limit to Apply at Age 60, 61, 62, and 63	X			1/1/2025	5/22/2024
Section 331. Special Rules for use of Retirement Funds in Connection With Qualified Federally Declared Disasters		X		TBD 2025	To be discussed
Section 314. Penalty-Free Withdrawal From Retirement Plans for Individual in Case of Domestic Abuse		X		TBD 2025	To be discussed
Section 603. Elective Deferrals Generally Limited to Regular Contribution Limit (Roth Catch-Up)	*X*			*1/1/2026*	*Informational*
Section 303. Retirement Savings Lost and Found	*X*			*TBD*	*Informational*
Section 326. Exception to Penalty on Early Distributions From Qualified Plans for Individuals With a Terminal Illness		*X*		*TBD*	*To be discussed*
Section 127. Emergency Savings Accounts Linked to Individual Account Plans		*X*		*TBD*	*To be discussed*

Italicized provisions are pending further guidance.

2. ***The Plan document was updated to address Liability Considerations by r*emoving fiduciary tasks previously assigned to the employer .**

3. **Operational Considerations *to improve Plan operations***

   A. Allow Plan Record-Keeper to issue electronic statements as a replacement for current quarterly statement mailings

   B. Update Deferred Compensation Committee membership

Current Committee Members (9)	**Proposed Committee Members (7)**
Cook County Chief Administrative Officer	Cook County Chief Financial Officer or designee
Cook County Comptroller	Forest Preserve Chief Financial Officer or designee
Forest Preserve Comptroller	Appointee of the Cook County Treasurer
Appointee of the CEO of Cook County Health System	Four (4) Appointees of the Cook County President
Appointee of the Cook County Treasurer	
Four (4) Appointees of the Cook County President	

*Current Appointees of the President include Cook County CFO, Annuity and Benefit Fund Investment Director, Director of Risk Management and Deputy Director of Risk Management