

CARES Act Checklist: Public Sector Employer Retirement Plans

1. Organize

- ✓ Which laws and documents are applicable?
 - Are you an ERISA-covered plan or non-ERISA plan?
 - What does your current plan document say about loans and distributions and when they may be taken from the plan?
 - Are decisions made through a committee or otherwise?
- ✓ What are your duties as a plan sponsor under the laws and existing documents related to this decision?
- ✓ What are the checks and balances to ensure that parties in interest are not self-dealing?
 - Would anyone in a position of power over the plan – employee, vendor, etc. – benefit if we make a decision one way or another on this topic?
- ✓ How does our current retirement plan provider(s) administer loans and distributions?
 - Did they opt all plans into allowing for CARES Act loans and distributions? Or do you need to take action to adopt or decline CARES Act provisions?
- ✓ What are the CARES Act provisions?

2. Formalize

- ✓ What are the arguments for adding or not adding the provisions?
 - What do we know about our employees and their current financial situation?
 - How would this benefit employees or not?
- ✓ Do any provisions in our current plan need to be adjusted to accommodate adding the CARES Act provisions if we decide to do so?
 - For example, if the plan does not currently allow for normal loans, the plan may require an amendment to allow for regular loans and COVID-19 related loans.
- ✓ How will the administration of the plan change to accommodate these requests?
 - Is payroll set up to allow for these loans and track them if they are in deferred status?
 - What forms or documentation will we need for employees to complete to self-document and execute a COVID-19 distribution or loan?
- ✓ How and what should be communicated to the employees?

3. Implement

- ✓ What are the steps to enact our decision? Take action.
 - Examples: board resolution, documenting the decision, contacting the vendor to amend the plan document or inform them of your decision.
 - Understand and implement the steps to accommodate CARES Act loans and distributions on payroll or other systems.

4. Monitor

- ✓ How many employees took advantage of the provisions? Did they have trouble with the recordkeeper in receiving the loan or distribution? Has all gone to plan?
- ✓ Does there need to be further employee education?
- ✓ What resources are there now to assist with FAQs or questions we did not have answers to during the Organize phase, such as how to pay back the distribution or defer the taxes?