UPDATE

Employee Benefit News for The Cooperative Industry

SEPTEMBER 2020

New Safe Harbor Electronic Disclosure Rules

The Department of Labor has rolled out new safe harbor electronic disclosure rules for retirement plans. Milliman will adopt these rules for the Co-op 401(k) Plan, allowing plan sponsors to post retirement plan disclosures online and deliver them to employees electronically. Plan sponsors and plan participants may opt out of Milliman's best practice at any time.

In October 2020, Milliman will mail an Initial Notice to each participant with an email address on file. This notice will explain the electronic disclosure process. It will include a list of their email addresses on file that will be used for electronic delivery and instructions for opting out. Going forward, Initial Notices will be mailed each month to new employees.

When required notices have been posted to **MillimanBenefits.com**, participants will be emailed a Notice of Internet Availability (NOIA). The NOIA will provide a list of documents available online and include instructions detailing how to access the documents, request paper documents, and how to opt out of electronic delivery.

Milliman will collect rejected emails and flag bad participant email addresses. Until a new email is applied, participants with bad email addresses will not receive electronic disclosures.

More information about the electronic disclosure of quarterly statements will be coming next year, due to regulatory changes effective in 2022.

ACCOUNT REGISTRATION TARGETED EMAIL

In an effort to encourage participants to register their account(s) through Milliman, a targeted email campaign began in August 2020. Unregistered participants with a balance received an email, which was sent to all their email addresses Milliman had on file. Additionally, participants who did not open the email received two follow-up requests.

This campaign is a part of Milliman's ongoing commitment to participant account security and education.

To help in the registration process, plan sponsors can add participant emails and cell phone numbers to their payroll file. For more information, please contact your Relationship Manager.

Rollover Previous Employer's Retirement Account Assets

For participants, keeping track of their money can be easier if it's all in one spot. Here are some reasons why participants may want to roll over their former employer's retirement account.

A rollover means transferring money from one retirement account into another retirement account. For example, if a participant has recently changed jobs, they can roll over their retirement account with their previous employer into their new Co-op 401(k) Plan account.

Rollovers aren't just for employees who have recently changed jobs either. If participants in the Co-op 401(k) Plan have one or multiple retirement accounts from previous employers, they can elect to roll those assets over to the Co-op 401(k) Plan at any time. Rolling their account over has several advantages:

Plan's Investment Lineup: The Plan offers high-quality, low-cost investment options that are reviewed by the Plan's investment advisor, Advanced Capital Group (ACG), on a quarterly basis. This helps ensure the Plan continues to offer top-of-class funds.

In addition to the core fund lineup, the Co-op 401(k) Plan also offers InvestMap™. InvestMap is an age-appropriate investment allocation approach using the Co-op 401(k) Plan's underlying investment funds.

Consolidation: No need for keeping track of multiple statements or websites. When participants roll over their retirement assets, their balance is consolidated with their current savings in the Co-op 401(k) Savings Plan. That means one quarterly statement and one website, **MillimanBenefits.com**. It also has the potential to reduce fees incurred by the participant. Generally, every retirement plan has costs associated with record keeping and managing employee accounts. By consolidating their accounts, participants lessen their probability of paying multiple administration and recordkeeping fees.

For additional questions about rollovers, or the Plan in general, please contact your Relationship Manager or call, 800.652.6675, Option 2.

Recontributing Coronavirus-Related Distributions

The IRS has provided relief guidance for participants to recontribute Coronavirus-related distributions (CRDs) taken under the CARES Act.

A qualified individual is permitted to recontribute any portion of a CRD to an "eligible retirement plan" (401(a)/401(k) plan, 403(b) plan, 457(b) governmental plan or IRA) that accepts eligible rollover contributions. Essentially, this means that the amounts being recontributed are treated just like other rollover contributions to the plan. Recontributions can be made at any time during the 3-year period after taking the CRD.

The Repayment Form explains who a qualified individual is and the eligibility criteria for completing the recontribution. If your plan allows rollover contributions, Milliman's best practice will be to accept the recontributions into the plan. Any participant interested in recontributing their CRD will have to complete this form and return it to the Milliman Processing Center.

Please contact your Milliman Relationship Manager if you have any questions about CRDs and recontributing them back into your plan. Our goal is to help your employees take advantage of this relief provided by the IRS.