

**Deferred Compensation Committee (DCC)
Non-Regular Committee Meeting - Virtual
November 13, 2025
9:00 a.m.**

Committee Members Present: Kari Louie, Interim Human Resources Director – virtual
Michael San Soucie, City Treasurer – virtual
Steve Victor, Chief Deputy City Attorney – virtual
Alex Yoon, Utilities Deputy Director – virtual
Byron Allen, Joint Labor – virtual

Committee Staff Present: Cindy Farmer, Human Resources Specialist – TMB

Guest: Vanessa Peterson, Human Resources Manager

Minutes

The meeting began at 9:01 a.m.

1) **Call to Order**

Kari Louie, Chairperson, opened the meeting and welcomed all the participants.

2) **Roll Call**

Kari Louie, Michael San Soucie, Steve Victor and Alex Yoon, Byron Allen, were present at the meeting.

3) **Adoption of the Agenda (Committee action item)**

1st motion: Michael San Soucie

2nd motion: Byron Allen

All Approved, motion passed

4) **Secure 2.0 - Mandatory Roth Catch-Up Provision (Committee action item)**

Kari Louie presented information on the new Roth catch-up requirement and options as mandated by Secure 2.0. Kari worked with DCC Legal Counsel, Debra Casparian; the legal firm of Davis Wright Tremaine; and City Treasurer, Michael San Soucie, to research the requirements and explore viable programming options for the City.

Kari went on to provide a brief history of Secure 2.0 as it relates to catch-up, the rules surrounding this change, the optional administrative provisions for implementation the committee needed to make decision on; as well as the timing of the change and that the City would have a delayed implementation in 2026. She noted that the final regulations for this provision were just released in September of 2025 and the IRS still requires compliance by January 1, 2026. Lastly, she covered a timeline for implementation including communication to management, union partners, and employees.

Points:

- Anyone with a prior year Social Security eligible income while employed at the City of Tacoma, of \$145,000.00 or more, and wishes to use any of the age-based catch-up provisions, over 50 or age 60-63, must put any contributions over the base/regular limit (for 2026, \$24,500) into a Roth account.
- This excludes commissioned Police and Fire employees, and Rail employees as they do not contribute to Social Security.
- This also does not apply to the Pre-Retirement Catch-up option which allows employees to contribute up to two times the regular limit in the three years prior to their retirement year.
- Kari presented on the deeming feature which is an optional administrative provision that allows for the automatic switch from pre-tax to Roth with no pause in contributions along with the correction provision this comes with it, if an overpayment of pre-tax contributions is made in a plan year.
- She also presented on an optional administrative provision which is related to when an employee contributes to both the Regular and Roth at the same time and when to force Roth age-based contributions, recommending the switch when the Regular Pre-tax limit is met.

Both of these recommendations are more advantageous to plan participants and the common administrative options peer organizations are choosing.

Kari presented two motions for a Committee vote related to the administrative options discussed for implementation:

- Authorize the “deeming” feature for the Mandatory Roth Catch-Up provision for applicable plan participants.

A motion was made to authorize the deeming feature,

1st motion: Alex Yoon

2nd motion: Byron Allen

All Approved, motion passed

- Authorize the option for employees contributing to both pre-tax and Roth to switch to Roth when the regular pre-tax limit is met.

A motion was made to authorize the switch to Roth when the pre-tax limit is met,

1st motion: Byron Allen

2nd motion: Steve Victor

All Approved, motion passed

5) **Review of Meeting Action and Discussion Items for Follow-Up**

- Kari Louie will relay the decision to the necessary stakeholders and staff at the City to continue with implementation of this provision 2nd or 3rd quarters of 2026.

Motion to Adjourn

1st motion: Michael San Soucie

2nd motion: Byron Allen

All Approved, motion passed

Meeting adjourned at: 9:47 a.m.