

Halverson, Beth

From: Ernest Mikami <emikami@yahoo.com>
Sent: Thursday, September 5, 2019 9:41 PM
To: Office State Actuary, WA
Subject: DCP to Roth IRA in-service transfer

To the Select Committee on Pension Policy,

I've been advocating DRS to offer the Roth option for the Deferred Compensation Plan for some time. In 4th quarter of 2010, DRS has already hinted of such possibility of a Roth Option:

https://www.fascore.com/PDF/washington/wa_2010_q4.pdf

DRS has declined to put this on any kind of timeline despite the fact that at one point it was conveyed it'll be done in a specific year. That was many years ago. Right now, their status is that it will not be completed this year. They also declined to not state if they even started on the project after all these years of waiting. Their excuse was that they have multiple projects which are placed in higher priority with limited resources for them.

More than half the states have already offered the Roth option to their 457(b) within the first few years it was allowed by federal legislation. Washington State is way behind in this effort.

I thought of temporary solution to the problem. Allow a once per year partial in-service transfer from DCP to Roth IRA. By offering such option, it will make the Roth option to everyone without completing a huge project to implement it within the DCP. It will simply be a matter of amending the DCP to allow an in-service transfer to a Roth IRA.

The language used can explicitly state that the in-service transfer will only be in effect before a Roth option is offered within the DCP itself.

Thank you for your consideration,

Ernest