



Stanislaus Regional Housing Authority

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DATE: May 8, 2025

TO: Board of Commissioners

FROM: Jim Kruse, Executive Director

SUBJECT: Action Item # 1: Consider Approving the Addition of a ROTH Individual Retirement Account (IRA) Administered by Empower

PREPARED BY: Dawn Bonsu, Director of Business Operations

RESOLUTION NO: # 24-25-07

RECOMMENDATION:

Staff recommends the Board of Commissioners approve the addition of a Roth Individual Retirement Account (IRA) option to the agency's existing Deferred Compensation Plan administered by Empower to enhance the agency's benefit offerings.

SUMMARY

The agency currently offers employees a Deferred Compensation Plan through Empower Retirement. This plan is a valuable component of the agency's employee benefits package, allowing staff to make pre-tax contributions to support long-term retirement savings.

To further enhance the agency's retirement plan offerings and provide employees with more flexibility, Empower has made available the option to include a Roth IRA. Unlike traditional pre-tax contributions, Roth IRA contributions are made with after-tax dollars, allowing for tax-free withdrawals in retirement (subject to IRS guidelines). This option may benefit employees who anticipate being in a higher tax bracket upon retirement or who prefer tax diversification in their retirement planning.

Adding a Roth IRA option aligns with the agency's commitment to supporting employee financial wellness and long-term planning. Empower will manage the Roth IRA option under the same platform and structure as the agency's current deferred compensation plan, minimizing administrative impact and requiring no additional cost to the agency.

Empower has confirmed the implementation of the Roth IRA can be completed seamlessly, with communications and educational materials provided to staff as part of the rollout. Employees will have the ability to make voluntary after-tax contributions to a Roth IRA in addition to their existing 457(b) plan participation.

Fiscal Impact:

There will be no fiscal impact to the agency for adding the Roth IRA option. All contributions are employee-funded and the administrative services will be covered under the existing agreement with Empower.

ATTACHMENT:

Resolution No #: 24-25-07



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RESOLUTION NO. 24-25-07

RESOLUTION APPROVING THE ADDITION OF A ROTH INDIVIDUAL RETIREMENT ACCOUNT (IRA) ADMINISTERED BY EMPOWER

WHEREAS, Stanislaus Regional Housing Authority currently offers employees a Deferred Compensation Plan through Empower Retirement to support long-term retirement savings; and

WHEREAS, Empower Retirement now offers a Roth Individual Retirement Account (IRA) option as part of its plan offerings; and

WHEREAS, The addition of the Roth IRA option will allow employees to make voluntary after-tax contributions, with the potential for tax-free withdrawals in retirement, thereby expanding the flexibility and benefits of the agency's retirement planning tools at no additional cost to the agency.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of Stanislaus Regional Housing Authority, that

1. The Board of Commissioners hereby approves the addition of a Roth IRA option to the agency's Deferred Compensation Plan administered by Empower Retirement.

DULY AND REGULARLY ADOPTED by the Board of Commissioners of Stanislaus Regional Housing Authority this 8th day of May, 2025. On a motion by Commissioner __, seconded by Commissioner_____, and on the following roll call vote:

AYES:

NAYS

ABSENT:

ABSTAIN:

Approved: _____
Chairperson

Attest: _____
Secretary