**Section 2700.700 Distribution Events**

a) Distributions under this Plan shall be made in accordance with Code section 401(a)(9) (including, but not limited to, the Plan provisions described in Sections 2700.315 and 2700.740) and Treasury Regulations issued under section 401(a)(9), including the minimum distribution incidental benefit requirement of Code section 401(a)(9)(G) and Treasury Regulations 1.401(a)(9)-2 through 1.401(a)(9)-9 (26 CFR 1.401(a)(9)-2 through (a)(9)-9 (2012)). However, these provisions of the Code and Treasury Regulations shall override the other distribution provisions of the Plan only to the extent that the other Plan provisions provide for a distribution that is less rapid than is required under the provisions of the Code and the Treasury Regulations.

b) In accordance with the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act; 15 U.S.C. 116), the Plan will not make required minimum distributions to Plan Participants who otherwise would be required to take a required minimum distribution in calendar year 2020. 2020 required minimum distributions requested prior to the CARES Act passage may be recontributed to the Plan in accordance with IRS guidance.

c) In accordance with the CARES Act, the Plan will permit Plan Participants who are qualified individuals (as provided in section 2202 of the CARES Act) to request Coronavirus-Related Distributions up to an aggregate limit of $100,000 from May 29, 2020 through December 28, 2020. Plan Participants may repay all or part of the amount of a Coronavirus-Related Distribution, provided the repayment is made within 3 years after the date that the distribution was received. If repaid, the distribution will be treated as though it were repaid in a direct trustee-to-trustee transfer.

d) A Participant's Deferred Compensation Account may begin to be distributed 30 days after the date of one of the following events:

1) Severance from Employment;

2) Death; or

3) Delayed Distribution Date.

e) A Participant’s Deferred Compensation Account may begin to be distributed in the calendar year in which the Participant attains age 59½.

f) A Participant's Deferred Compensation Account may begin to be distributed as soon as possible but not later than 30 days after determination of an Unforeseeable Emergency.

g) A Participant, with $5,000 or less in the Participant's Deferred Compensation Account, may elect to cash out the Account in compliance with conditions specified in Section 2700.735.

h) No distributions shall be made to a Participant who is employed as an independent contractor before a date that is at least 12 months after the day on which the Participant's employment contract expires. Should the independent contractor be re-employed by the State as either an Employee or independent contractor during the 12-month waiting period, no distribution shall be started on the projected distribution date. If the contractor has attained age 70½ at the time the contract is terminated, the 12-month waiting period is waived.

i) Participants are responsible for notifying the Department (e.g., email, phone call) of their Severance from Employment.

j) Beneficiaries are responsible for notifying the Department (e.g., email, phone call) or the Recordkeeper (e.g., website, phone call) of the death of the Participant and supplying the Department with a certified copy of the Death Certificate.

k) A Participant who does not receive the initial distribution until the calendar year following the year in which the Participant reaches age 72 or separates, if they work past age 72, shall receive at least 2 taxable distributions in the same year.

l) If a Participant has a separate account attributable to rollover contributions to the Plan, the Participant may at any time elect to receive a distribution of all or any portion of the amount held in the rollover account.

m) An alternate payee, pursuant to the terms of a qualified domestic relations order, may at any time elect to receive a distribution of all or any portion of the amount held and maintained on behalf of the alternate payee upon the proper execution and designation under the qualified domestic relations order. An alternate payee is not eligible to apply for a Loan pursuant to Section 2700.770.

n) If a Participant has an outstanding Loan, the Participant's or Beneficiary's accrued benefit shall be subject to offset or other adjustment upon distribution, in satisfaction of any outstanding Loan balance.

o) Notwithstanding any provision in this Part to the contrary, for a Participant's Roth Contributions only, a distribution shall not be a "qualified distribution" unless it meets the requirements of Code section 402A(d).

(Source: Amended at 47 Ill. Reg. 12412, effective August 4, 2023)