"From Where I Sit …"

Safe Harbor during the Trump Administration!

In 2002, my recommendation to permit a Safe Harbor option in the CME Retirement Plan was approved by the General Conference. The goal of that recommendation was to permit enrolled participants who had reached a certain age to shelter their invested accounts from significant losses due to market fluctuations. As with other plans, I felt participants of a certain age should be able to choose a more conservative allocation for their investment account as they neared their retirement (especially mandatory retirement).

Participants who elect to have their accounts moved into the Safe Harbor, must be aware of the following requirements:

1) Once a participant decides to exercise the Safe Harbor option and does not subsequently exercise a timely cancellation, the funds of the participant's account will remain in the Safe Harbor until the participant's formal retirement. *(The participant will not be permitted to withdraw or transfer any funds from the Safe Harbor account until retirement.)*

2) At the effective date of Safe Harbor, the participant's current balance will be transferred to the Safe Harbor AND all future contributions.

The initial age for a participant to be eligible for the Safe Harbor option was 69 and later lowered to 65. The option is offered in the Fall to all participants in the Plan who have reached the minimum age for the option. An option packet is sent by mail to the participant at the last address of record and the participant must return the signed documents by a specified date. However, the participant has at least a 14-day window to rescind their option by submitting a cancellation form that must also be received by a specified date.

Finally, the decision to exercise the Safe Harbor option should not be based solely on the fluctuations of the investment markets as has been seen over the past several months. Instead, a participant should consult with a financial advisor concerning the pros and cons of this step, the timing, and the impact it may have on the participant's other investments (if any).

No one can predict the markets and their eventual changes, and no one can anticipate the market impact of future decisions of the Trump administration. There have certainly been enough changes (up and down) to cause any 65+ year old participant much concern. However, decisions such as the Safe Harbor option should not be decided "on the spur of the moment." They should be well-planned and carefully thought-out, especially since the decision cannot be reversed after a certain period. I believe this is an excellent option for our Plan and a tremendous benefit for our participants. *Or at least that's the way it looks to me…*

"From Where I Sit"

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(Copies of earlier articles may be found on the Personnel Services Webpage of the CME Website at www.thecmechurch.org)