



Rep. Stephanie A. Kifowit

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10300SB1233ham002

LRB103 25480 RJT 61440 a

1 AMENDMENT TO SENATE BILL 1233

2 AMENDMENT NO. _____. Amend Senate Bill 1233 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The School Code is amended by adding Section
5 22-95 as follows:

6 (105 ILCS 5/22-95 new)

7 Sec. 22-95. Retirement and deferred compensation plans.

8 (a) This Section applies only to school districts, other
9 than a school district organized under Article 34, with a
10 full-time licensed teacher population of 575 or more teachers
11 that maintain a 457 plan, including a plan established under
12 Section 16-204 of the Illinois Pension Code. Every applicable
13 school district shall make available to participants more than
14 one financial institution or investment provider to provide
15 services to the school district's 457 plan.

16 (b) A financial institution or investment provider, by

1 entering into a written agreement, may offer or provide
2 services to a plan offered, established, or maintained by a
3 school district under Section 457 of the Internal Revenue Code
4 of 1986 if the written agreement is not combined with any other
5 written agreement for the administration of the school
6 district's 457 plan.

7 Each school district that offers a 457 plan shall make
8 available to participants, in the manner provided in
9 subsection (d), more than one financial institution or
10 investment provider that has not entered into a written
11 agreement to provide administration services and that provides
12 services to a 457 plan offered to school districts.

13 (c) A financial institution or investment provider
14 providing services for any plan offered, established, or
15 maintained by a school district under Section 457 of the
16 Internal Revenue Code of 1986 shall:

17 (1) enter into an agreement with the school district
18 or the school district's independent compliance
19 administrator that requires the financial institution or
20 investment provider to provide, in an electronic format,
21 all data necessary for the administration of the 457 plan,
22 as determined by the school district or the school
23 district's compliance administrator;

24 (2) provide all data required by the school district
25 or the school district's compliance administrator to
26 facilitate disclosure of all fees, charges, expenses,

1 commissions, compensation, and payments to third parties
2 related to investments offered under the 457 plan; and

3 (3) cover all plan administration costs agreed to by
4 the school district relating to the administration of the
5 457 plan.

6 (d) A school district that offers, establishes, or
7 maintains a plan under Section 457 of the Internal Revenue
8 Code of 1986 shall select more than one financial institution
9 or investment provider, in addition to the financial
10 institution or investment provider that has entered into a
11 written agreement under subsection (b), to provide services to
12 the 457 plan. A financial institution or investment provider
13 shall be designated a 457 plan provider if the financial
14 institution or investment provider enters into an agreement in
15 accordance with subsection (c).

16 (e) A school district shall have one year from the
17 effective date of this amendatory Act of the 103rd General
18 Assembly to find a 457 plan provider under this Section.

19 (f) Nothing in this Section shall apply to or impact the
20 optional defined contribution benefit established by the
21 Teachers' Retirement System of the State of Illinois under
22 Section 16-204 of the Illinois Pension Code. Notwithstanding
23 the foregoing, the Teachers' Retirement System may elect to
24 share plan data for the 457 plan established pursuant to
25 Section 16-204 of the Illinois Pension Code with the school
26 district, upon request by the school district, in order to

1 facilitate school districts' compliance with this Section and
2 Section 457 of the Internal Revenue Code of 1986. If a school
3 district requests that the Teachers' Retirement System share
4 plan information for the 457 plan established pursuant to
5 Section 16-204 of the Illinois Pension Code, the Teachers'
6 Retirement System may assess a fee on the applicable school
7 district."