



Sen. Karina Villa

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10300HB0341sam001

LRB103 03868 RJT 74029 a

1 AMENDMENT TO HOUSE BILL 341

2 AMENDMENT NO. _____. Amend House Bill 341 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The School Code is amended by adding Section
5 22-100 as follows:

6 (105 ILCS 5/22-100 new)

7 Sec. 22-100. Retirement savings plans; requirements.

8 (a) This Section applies to contracts entered into or
9 renewed on or after the effective date of this amendatory Act
10 of the 103rd General Assembly.

11 (b) By July 1, 2026, the school board of each school
12 district in the State that offers its employees a retirement
13 savings plan established under Section 403(b) of the Internal
14 Revenue Code of 1986 may enter into a contract with one or more
15 vendors to provide participants with plan investment options.

16 Any vendor selected under this Section after the effective

1 date of this amendatory Act of the 103rd General Assembly must
2 be mutually agreed upon by the affected collective bargaining
3 unit or units and the school board and must ensure that:

4 (1) neither it nor the plan investment options it
5 provides impose an administrative asset-based fee in
6 excess of 0.50%;

7 (2) neither it nor the plan investment options it
8 provides impose front-end sales or advisory charges;

9 (3) neither it nor the plan investment options it
10 provides impose surrender charges;

11 (4) the provided plan investment options offer access
12 to all of the following types of funds:

13 (A) a target-date index fund with an expense ratio
14 that is less than or equal to 0.25%;

15 (B) a broad-based domestic index fund with an
16 expense ratio that is less than or equal to 0.10%;

17 (C) a broad-based bond index fund with an expense
18 ratio that is less than or equal to 0.10%; and

19 (D) an international index fund with an expense
20 ratio that is less than or equal to 0.10%.

21 (c) Any vendor offering a plan under this Section may
22 charge an investment advisory representative fee not to exceed
23 0.50% annually.

24 (d) If any new vendor is chosen to administer a retirement
25 savings plan that is offered by the school board of a school
26 district under this Section, an employee of the school

1 district may opt out of having the employee's individual
2 403(b) mutual fund custodial account or annuity contract
3 transferred to that new vendor. This subsection does not apply
4 to assets held by the employer in a group contract.

5 (e) A participant who is contributing to a 403(b)
6 retirement savings plan account through a salary reduction
7 agreement on or before the effective date of this amendatory
8 Act of the 103rd General Assembly may continue to make
9 contributions even if the account does not meet the
10 requirements provided in this Section.

11 (f) If a participant stops contributing to a 403(b)
12 retirement savings plan account that does not meet the
13 requirements of this Section, then the participant is no
14 longer eligible to make salary reduction contributions to the
15 403(b) retirement savings plan account that does not meet the
16 requirements of this Section.

17 (g) A collective bargaining unit is not liable in the
18 selection of a vendor under this Section.

19 (h) Nothing in this Section may cause or be used to support
20 liability against a school board or any of a school board's
21 employees under any theory of law or equity, including, but
22 not limited to, contract law.

23 (i) Nothing in this Section may be interpreted to require
24 a school board to violate any laws, the terms of an existing
25 403(b) plan document, or the terms of any collective
26 bargaining agreement or contract."