



Rep. Stephanie A. Kifowit

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1 AMENDMENT TO SENATE BILL 734

2 AMENDMENT NO. _____. Amend Senate Bill 734 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. Every applicable school district
12 shall make available to participants more than one financial
13 institution or investment provider to provide services to the
14 school district's 457 plan.

15 (b) A financial institution or investment provider, by
16 entering into a written agreement, may offer or provide

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

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

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

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

23 (2) provide all data required by the school district
24 or the school district's compliance administrator to
25 facilitate disclosure of all fees, charges, expenses,
26 commissions, compensation, and payments to third parties

1 related to investments offered under the 457 plan; and

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

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

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

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

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