

FOR ACTION

**Lisle Community Unit School District No. 202
Board of Education Meeting
September 28, 2026**

SUBJECT: 403(b) Retirement Plan Document Restatement – Adoption Agreement

RECOMMENDATION: The Administration recommends that the Board of Education adopt the restated Lisle Community Unit School District 202 403(b) Retirement Plan Document, effective January 1, 2026.

BACKGROUND DATA: The Internal Revenue Service requires employers that sponsor a 403(b) retirement plan under an IRS pre-approved plan document to periodically restate that document to incorporate legislative and regulatory changes that have accumulated since the last required restatement. This is the second such restatement cycle for 403(b) plans (“Cycle 2”), and the IRS has set a deadline of December 31, 2026 for all pre-approved 403(b) plan sponsors to adopt a Cycle 2 restated plan document in order to maintain reliance on the IRS’s approval of the plan’s form.

U.S. OMNI & TSACG Compliance Services (“OMNI”), the District’s third-party administrator for the 403(b) and 457(b) plans, has prepared the required Cycle 2 restatement package, consisting of an updated Adoption Agreement, an IRS Pre-Approved Basic Plan Document, and the IRS Opinion Letter approving the form of the plan. Together, these three documents make up the restated plan document. The restatement carries an effective date of January 1, 2026 (the Plan’s original effective date remains January 1, 2009).

The January 1, 2026 effective date reflects standard IRS practice for these periodic restatements, not a retroactive change to the Plan. IRS rules permit a restated 403(b) plan document to be effective no earlier than the first day of the Plan Year in which it is adopted by the Board; because Board approval occurs during the 2026 Plan Year, the restated document is dated effective January 1, 2026, even though execution follows later in the year. The Plan has continued to operate under its existing terms throughout 2026, and no Plan benefit or operation changes as a result of this effective date.

The Administration has reviewed the restated Adoption Agreement against the District’s 2020 Adoption Agreement to confirm that the elections continue to reflect how the Plan currently operates. The restatement does not change the Plan’s benefit provisions or how the Plan is administered; it updates the plan document to reflect legislative and regulatory changes required by the IRS, including:

- Changes regarding permitted mid-year reductions or suspensions of safe harbor nonelective contributions in certain circumstances;

- Elimination of certain safe harbor notice requirements for plans that provide safe harbor nonelective contributions, and new provisions for the retroactive adoption of safe harbor status for those plans;
- Amended definitions of qualified matching contributions (QMACs) and qualified nonelective contributions (QNECs);
- Changes regarding in-plan Roth conversions;
- Changes to hardship distribution rules;
- Rules regarding 403(b) plan termination and distribution of individual custodial accounts upon plan termination;
- New in-service distribution options; and
- Changes to required minimum distribution (RMD) rules.

These changes were identified by OMNI as the substantive updates incorporated into the Cycle 2 restatement. As noted above, the Administration has confirmed the restated Adoption Agreement's elections are consistent with the Plan's current operation.

Copies of the restated Adoption Agreement, Basic Plan Document, and IRS Opinion Letter, along with the proposed Resolution authorizing the restatement, are attached for the Board's review.

FINANCIAL IMPACT: N/A.

SUGGESTED MOTION: That the Board of Education adopt the Lisle Community Unit School District 202 403(b) Retirement Plan Document as restated, effective January 1, 2026.