UNITED TOWNSHIP
HIGH SCHOOL DISTRICT 30

November 9, 2026

To: Board of Education
From: Janice Roome, Comptroller
CC: Dr. Jay Morrow
Re: Approve Amendments to 403(b) Plan

Background Information

The District 403(b) Plan is administered by Empower. It is a governmental plan funded only by employee salary deferrals (pre-tax and Roth); the District makes no employer or matching contributions. Two plan document updates are required:

- **IRS Cycle 2 restatement.** The IRS requires pre-approved 403(b) plan documents to be restated periodically onto an updated IRS-approved document. Current plan provisions have been mapped to the new Cycle 2 document, effective December 4, 2025. IRS deadline to sign: December 31, 2026.
- **SECURE 2.0 Act amendment.** The SECURE 2.0 Act (enacted December 29, 2022) made mandatory and optional changes to retirement plans, many already in effect. The plan document must be amended to reflect them. IRS deadline for governmental plans: December 31, 2029.

Administrative Considerations

Cycle 2 restatement – key document changes

Item	Change in Cycle 2 document	Effect on UTHS plan
Prior law amendments	BBA 2018 and SECURE 1.0 provisions are built into the document. CARES Act provisions are not carried forward. SECURE 2.0 is added by separate amendment.	Document clean-up; no benefit change.
Forms of distribution	Must be listed in the document; can no longer be allowed by administrative policy.	Document lists lump sum, partial lump sum, installments and annuity.
“Describe” lines	Some written-in language removed or converted to check boxes.	No benefit change.
Discretionary match / bargaining agreement formulas	Match allocation formula must be stated; outside agreements must be listed in an addendum.	Not applicable – plan has no employer or matching contributions.
Vendors (Addendum B)	Approved investment vendors listed in an addendum.	Talcott Resolution (Empower) is the only active vendor; legacy vendors listed as inactive.

SECURE 2.0 amendment – key provisions

Provision	Effective	What it means for UTHS participants
Required minimum distribution age	Distributions after 12/31/2022	Age when withdrawals must begin rises to 73, and later to 75. Required.
Higher catch-up, ages 60–63	1/1/2025	Participants age 60–63 may make a larger catch-up contribution than the regular age-50 catch-up.
Roth catch-up for higher earners	Tax years after 12/31/2025	Participants with prior-year FICA wages over $145,000 (indexed) must make catch-up contributions as Roth. Plan treats these as Roth automatically.
Emergency expense withdrawal	1/29/2026	One withdrawal per calendar year, up to the lesser of $1,000 or vested balance over $1,000; no 10% early-withdrawal penalty. Limits apply to the next 3 years unless repaid.
Domestic abuse withdrawal	5/1/2024	Self-certified withdrawal within one year of abuse, up to the lesser of $10,000 (indexed) or 50% of the account; no 10% penalty.
Hardship withdrawals	Earnings: 9/10/2024	Hardship withdrawals may include earnings on deferrals; participants may self-certify hardship.
Cash-out threshold	No change	Plan keeps its current rules for paying out small balances of former employees.
Not adopted / not applicable	–	Roth treatment of employer contributions, student loan match, Saver's Match, emergency savings accounts (PLESA) and long-term care withdrawals not adopted. Mandatory auto-enrollment and long-term part-time rules do not apply to governmental plans.

Both documents reflect how the plan is already being administered. As a governmental plan, the District is not required by federal law to distribute a Summary of Material Modifications to participants.

Options Considered

Both updates are required by the IRS and federal law to keep the plan's tax-favored status; there is no alternative to adopting them. Failure to sign by the deadlines could put the plan's tax status at risk.

Fund Source

Educational Fund – $1,500 Empower fee each for the IRS Cyle 2 and SECURE 2.0 amendments.

Recommendation

We recommend the Board approve the Cycle 2 restatement of the UTHS District 30 403(b) Plan and the SECURE 2.0 Act amendment as presented.