



**GENEVA COMMUNITY UNIT SCHOOL DISTRICT 304**  
**FROM THE OFFICE OF HUMAN RESOURCES**

TO: Dr. Kent Mutchler  
FROM: Craig T. Collins  
RE: 403(b) Plan Amendment  
DATE: November 21, 2013

---

In July 2007, the Internal Revenue Service released new regulations governing tax-sheltered retirement plans offered in public schools and other tax-exempt organizations. This was the first comprehensive update of 403(b) regulations since the 1960's. The purpose of these regulatory changes was to bring the administration of 403(b) plans in the public sector into greater conformity with the manner in which 401(k) plans were managed in the private sector. In order to comply with the new regulations, the Board adopted a written 403(b) plan in December of 2008.

Current 403(b) regulations make the Board of Education the "plan sponsor" and impose due diligence and compliance requirements to ensure that 403(b) regulations are followed. Any changes to the written 403(b) plan must be approved by the Board.

Our 403(b) vendor **planwithease.com** has recommended that we amend the 403(b) plan document to accommodate for a system enhancement which provides greater loan availability to participants whose vested account balances are less than \$20,000.

I recommend that the attached amendment to the District's 403(b) plan document be approved and become part of the District's 403(b) plan.

Should you have any questions regarding this matter, please contact me.

## **Amendment to 403(b) Plan Document**

No loan to any Participant or Beneficiary can be made to the extent that such loan when added to the outstanding balance of all other loans to the Participant or Beneficiary would exceed the lesser of (a) \$50,000 reduced by the excess (if any) of the highest outstanding balance of loans during the one year period ending on the day before the loan is made, over the outstanding balance of loans from the plan on the date the loan is made, or (b) one-half the present value of the nonforfeitable accrued benefit of the Participant, or if greater, the total accrued benefit up to \$10,000. For the purpose of the above limitation, all loans from all plans of the Employer and Related Employers are aggregated.