



Oak Park Elementary School District 97

260 W. Madison ▪ Oak Park ▪ Illinois ▪ 60302 ▪ ph: 708.524.3000 ▪ fax: 708.524.3019 ▪ www.op97.org

TO: Dr. Carol Kelley, Superintendent of Schools
Board of Education

FROM: Dr. Alicia Evans, Assistant Superintendent of Finance and Operations

SUBJECT: TSA Consulting Group – Contact Renewal with Vendor Pay Option

DATE: January 24, 2017

The current contract for administrative services for the 403(b) plan with TSA Consulting Group was signed 10/1/2014 for 1 year with 2 one year renewals and the annual renewal extension of our contract was due 10/1/2016. There is no change in the contract and the pricing will remain the same, \$8.04 annually, per employee, paid by the employer. Last year the district paid roughly \$5,600. TSA wants to offer the District an alternative - a “vendor paid” program, wherein the approved investment providers for the plan(s) would pay the administrative costs for the program (\$2.00 per month, per plan participant, vendor pay). **Under this program, the district would not pay for the administration, the vendors would.**

In the “Vendor Pay” model, the approved investment providers for the plan(s) would pay the administrative costs for the program (\$2.00 per month, per plan participant, vendor pay). **Under this program, the district would not pay for the administration, the vendors would.** In the vendor pay model, the district asks the investment providers to pay the fees for the administration of the plan(s) and the fees are based on the number of participants in the plan (a participant is anyone who has a balance in the plan). The vendors pay \$24 annually per participant billed on a monthly basis of \$2 per participant. Other school districts are moving to this type platform now as this is the typical arrangement in the retirement industry; the participants in the plan pay for the administration of the plan.