



# Oak Park Elementary School District 97

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

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**TO:** Dr. Albert G. Roberts, Superintendent of Schools

**FROM:** Therese M. O'Neill, Assistant Superintendent for Finance & Operations

**RE:** Adoption of 457(b) Plan

**DATE:** August 6, 2013

**In order to provide additional retirement savings opportunities to our employees, the implementation of a 457(b) plan is desirable which is in addition to the already existing 403(b) plan. The 457(b) plan is another retirement vehicle similar to the 403(b) plan which allows employees to defer taxation savings to future years. Employees can contribute to both plans as there is no coordination between the two so an employee can contribute the maximum amount to both plans.**

**In order to make this vehicle available to employees, the Board must first adopt a resolution approving implementation of such plan and authorizing the Third Party administrator to continue its work on both the 403(b) and now the 457(b) plan administration.**

**Attached is the proposed resolution for Board consideration and adoption, as well as the Plan document. This will return to the Board for approval at its August 20, 2013 meeting.**

**attachments (1)**



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## **BOARD RESOLUTION: ADOPTION OF 457(b) Plan Document**

**Oak Park Elementary School District 97 (the "District") wishes to adopt a nonqualified deferred compensation plan that qualifies under Section 457 of the Code.**

**BE IT RESOLVED that the Board of Education of Oak Park Elementary School District 97 does hereby adopt the 457(b) Plan which will, at all times, conform to the requirements of Section 457(b) of the Internal Revenue Code and applicable regulations.**

**FURTHER RESOLVED that it is the intention of the Board of Education of Oak Park Elementary School District 97 that the 457(b) program will conform with all federal and state statutory and regulatory requirements applicable to 457(b) plans, except that the program set forth above shall not be subject to the requirements of Title I of ERISA because the employer is exempted from such requirements.**

**FURTHER RESOLVED that the Board authorizes the Assistant Superintendent for Finance & Operations to act on the Board's behalf with respect to this plan, and to take any and all actions necessary or desirable to implement, maintain and administer the plan set forth above in accordance with the Board's intentions, and all applicable state and federal laws.**

**Dated:** \_\_\_\_\_

\_\_\_\_\_  
**Signature – Board President**

\_\_\_\_\_  
**Attesting Signature – Board Secretary**

**Adopted this 20<sup>th</sup> day of August, 2013.**

## 403(b)/457(b) Investment Provider Service Agreement

WHEREAS the Oak Park Elementary School District 97 (the "Plan Sponsor") maintains the following retirement plan(s)  403(b)  457(b) (the "Plan") and wishes to offer multiple investment products and services to participants in the Plan and,

WHEREAS the insurance company, mutual fund provider or the mutual fund provider's custodian ( the "Provider") designated on the signature page of this Agreement ("Agreement") has offered to provide annuities and/or custodial accounts ("Accounts") that qualify under IRC Sections 403(b) and/or 457(b) to participants under the Plan; and

WHEREAS the Plan Sponsor has named or will name the Provider as an authorized product provider under the Plan's document.

The parties agree to the following:

PROVIDER DUTIES AND RESPONSIBILITIES. The Provider:

1. Accounts: Be responsible, with respect to Provider Accounts, for:
  - a. Conforming to the terms of the Plan to the extent the Plan does not enlarge the Provider's obligations under its contracts (provided, however, that the Provider shall only be responsible for conforming to such terms as have been provided in writing, either by provision of a copy of the most recent Plan Document, or by provision of written explanation or interpretation of Plan terms by an authorized Plan representative), and executing all transactions related to Plan Accounts under applicable regulations established by the Internal Revenue Service (IRS) including, but not limited to, all contributions, distributions, transfers, QDROs, exchanges and rollovers allowable under the Plan and subject to the prior approval of the Plan Sponsor or the designated plan administrative service provider ("Administrator"). **Current Plan Document and Adoption Agreement included as Attachment A.**
  - b. Reporting applicable state and federal income tax for all distributions from Plan Accounts;
  - c. Notifying all participants of required minimum distributions under IRS regulations;
  - d. Providing required notices of rollover options to Participants upon a request for an eligible rollover distribution.
  - e. Processing corrective distributions of excess deferral contributions and properly track, report and/or distribute excess 415(c) contributions in accordance with applicable IRS regulations where such excess distributions have been identified by the Plan Sponsor or the Administrator;
  - f. Providing all participant account information relevant to the Plan to the Plan Sponsor or the Administrator electronically every 30 days, or at a frequency agreed to by both parties, and in the event of a federal or state income tax audit.
2. Forms: Utilize the standardized Salary Reduction Agreement (SRA) and any other supporting enrollment documents provided by the Plan Sponsor.
3. Investment Products: Market only the specific investment product(s) and services authorized by the Plan Sponsor. Any modifications to authorized investment products must be presented to and approved by the Plan Sponsor prior to any offering under the Plan.
4. Solicitation: Comply with all written directives regarding the solicitation of employees of the Plan Sponsor.
  - a. Appropriate State and /or Federal licensure for insurance and/or securities products,
  - b. State permits or registration as required for visitation at public school locations,

- c. Business Errors and Omissions coverage of \$1,000,000 minimum.
5. Plan Administration Fees: Agree to remit Plan Provider fees set forth on Attachment A, if any, on a timely basis as assessed by the Plan Sponsor and/or Administrator. Changes to such fees shall not be binding on Provider without Provider's advance written consent in the form of a written amendment to this Agreement.
6. Indemnification: Agree to indemnify and hold harmless the Plan Sponsor, including any individual member of the governing board, and Employees acting in their official capacity from every claim, demand or suit which may arise out of, or be made by reason of the failure of the Provider to meet the requirements of this Agreement only to the extent such losses are the result of the Provider's intentional wrong doing or its negligent actions or omissions. Notwithstanding the preceding sentence, this indemnification shall not cover any claim, demand or suit based on erroneous information provided by the Plan Sponsor, its affiliates or designated representatives or Employees or their willful misconduct or negligence. Provider, at its own expense and risk, and at its option, may assume the defense of and/or settle any court proceeding that may be brought against the Plan Sponsor, including members of the governing board, and Employees acting in their official capacity, on any claim, demand or suits covered by this indemnification, and shall satisfy any judgment that may be rendered against any of them with respect to any such claim or demand, provided that Plan Sponsor notifies Provider, in writing, within twenty (20) business days of receipt of such claim or demand. Provider's liability hereunder shall be limited to actual damages and reasonable out-of-pocket legal fees and expenses only.
7. Privacy. Provide to the Plan Sponsor, and upon request, to any employee or Plan participant, documentation of Provider's privacy policies.

PLAN SPONSOR DUTIES AND RESPONSIBILITIES. The Plan Sponsor shall:

1. Plan Document: Certify that it is eligible to offer programs under IRC Section 403(b) and/or 457(b) and maintain a written plan in accordance with applicable Internal Revenue Service (IRS) regulations and that among other provisions will name the Provider as an authorized vendor of products for participants, subject to Provider's execution of and compliance with this Agreement.
2. Investment Providers: Identify and make available to all employees and providers a current list of authorized vendors of product available under the Plan.
3. Contributions: Transmit all contributions to Provider in a manner designed to ensure accurate crediting to participant Accounts on a timely basis and consistent with applicable IRS regulations;
4. Plan Sponsor Contributions: Transmit and provide a listing of any participants for which the Plan Sponsor makes non-elective employer contributions and the amounts allocated to each participant with each remittance.
5. Administrator: Agree to notify the Provider of any specific administrative responsibilities that are allocated to Administrator and, by so notifying Provider, authorize the Provider to share necessary plan information with Administrator in a manner consistent with applicable IRS regulations and requirements under this Agreement and to follow instructions provided to Provider by Administrator as a representative of the Plan Sponsor.

BOTH PARTIES AGREE that the following terms and conditions are included as part of this Agreement:

1. Information Sharing: That each party, or their authorized representatives, shall exchange information necessary for compliance with the requirements of IRC Section 403(b) and/or 457(b) and any other applicable laws and regulations. Information includes, but is not limited to information on employment status, contributions and transactions made to or from other contracts/accounts under the Plan, information on other exchanges, loans and hardship

