



BOARD OF SCHOOL TRUSTEES
KELLER INDEPENDENT SCHOOL DISTRICT

9D. Action

Date: December 18, 2008

SUBJECT: APPROVAL OF 403(B) PLAN DOCUMENT

BOARD GOAL: All systems in the Keller Independent School District will be effective, efficient and accountable in support of the district's mission.

FISCAL NOTE: Plan participants pay for costs

Background Information:

1. Public employees have the option of supplementing their retirement under tax deferred 403(b) plans. These plans are very similar to the 401(k) plan used in private industry.
2. The use of 403(b)'s is governed by the IRS and Teacher Retirement System of Texas (TRS).
3. The IRS has created new rules for public entities regarding 403(b) plans.
4. The main rule is for the District to adopt a Plan Document by January 1, 2009.

Administrative Considerations:

1. At the July 28th Board Meeting, the Board approved an independent third party administrator, PenServ, to create the District's plan document and monitor the plan for compliance with the new IRS rules.
2. As a part of the plan document, it is necessary for PenServ to receive information under the "information sharing" requirements from the investment companies that wish to participate in offering 403(b) products to District employees.
3. The plan document lists the investment companies that are in compliance and who have relationships with the district employees. Any additional companies will need to be approved by the Board in the future.

The administration recommends the Board of Trustees approve the plan document for the District's 403(b) plan.

Respectfully submitted,

Kent Morrison
Chief Financial Officer