

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The School Code is amended by adding Section
5 22-95 as follows:

6 (105 ILCS 5/22-95 new)

7 Sec. 22-95. Retirement and deferred compensation plans.

8 (a) This Section applies only to school districts, other
9 than a school district organized under Article 34, with a
10 full-time licensed teacher population of 575 or more teachers
11 that maintain a 457 plan. Every applicable school district
12 shall make available to participants more than one financial
13 institution or investment provider to provide services to the
14 school district's 457 plan.

15 (b) A financial institution or investment provider, by
16 entering into a written agreement, may offer or provide
17 services to a plan offered, established, or maintained by a
18 school district under Section 457 of the Internal Revenue Code
19 of 1986 if the written agreement is not combined with any other
20 written agreement for the administration of the school
21 district's 457 plan.

22 Each school district that offers a 457 plan shall make
23 available to participants, in the manner provided in

1 subsection (d), more than one financial institution or
2 investment provider that has not entered into a written
3 agreement to provide administration services and that provides
4 services to a 457 plan offered to school districts.

5 (c) A financial institution or investment provider
6 providing services for any plan offered, established, or
7 maintained by a school district under Section 457 of the
8 Internal Revenue Code of 1986 shall:

9 (1) enter into an agreement with the school district
10 or the school district's independent compliance
11 administrator that requires the financial institution or
12 investment provider to provide, in an electronic format,
13 all data necessary for the administration of the 457 plan,
14 as determined by the school district or the school
15 district's compliance administrator;

16 (2) provide all data required by the school district
17 or the school district's compliance administrator to
18 facilitate disclosure of all fees, charges, expenses,
19 commissions, compensation, and payments to third parties
20 related to investments offered under the 457 plan; and

21 (3) cover all plan administration costs agreed to by
22 the school district relating to the administration of the
23 457 plan.

24 (d) A school district that offers, establishes, or
25 maintains a plan under Section 457 of the Internal Revenue
26 Code of 1986, except for a plan established under Section

1 16-204 of the Illinois Pension Code, shall select more than
2 one financial institution or investment provider, in addition
3 to the financial institution or investment provider that has
4 entered into a written agreement under subsection (b), to
5 provide services to the 457 plan. A financial institution or
6 investment provider shall be designated a 457 plan provider if
7 the financial institution or investment provider enters into
8 an agreement in accordance with subsection (c).

9 (e) A school district shall have one year after the
10 effective date of this amendatory Act of the 103rd General
11 Assembly to find a 457 plan provider under this Section.

12 (f) Nothing in this Section shall apply to or impact the
13 optional defined contribution benefit established by the
14 Teachers' Retirement System of the State of Illinois under
15 Section 16-204 of the Illinois Pension Code. Notwithstanding
16 the foregoing, the Teachers' Retirement System may elect to
17 share plan data for the 457 plan established pursuant to
18 Section 16-204 of the Illinois Pension Code with the school
19 district, upon request by the school district, in order to
20 facilitate school districts' compliance with this Section and
21 Section 457 of the Internal Revenue Code of 1986. If a school
22 district requests that the Teachers' Retirement System share
23 plan information for the 457 plan established pursuant to
24 Section 16-204 of the Illinois Pension Code, the Teachers'
25 Retirement System may assess a fee on the applicable school
26 district.