

1 AN ACT concerning education.

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 with a  
9 full-time licensed teacher population of 525 teachers or more.

10 (b) A financial institution or investment provider, by  
11 entering into a written agreement, may offer or provide  
12 services to a plan established or maintained by a school  
13 district under Section 457 of the Internal Revenue Code of  
14 1986 if the written agreement is not combined with any other  
15 written agreement for the administration of a school  
16 district's 457 plan.

17 Each school district that provides a 457 plan shall make  
18 available to participants, in the manner provided in  
19 subsection (d), more than one financial institution or  
20 investment provider that has not entered into a written  
21 agreement under this subsection (b) and that provides services  
22 to the school district's 457 plan.

23 (c) A financial institution or investment provider

1 providing services for any plan established or maintained by a  
2 school district under Section 457 of the Internal Revenue Code  
3 of 1986 shall:

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

11 (2) provide all data required by the school district  
12 or the school district's compliance administrator to  
13 facilitate disclosure of all fees, charges, expenses,  
14 commissions, compensation, and payments to third parties  
15 related to investments offered under the 457 plan; and

16 (3) cover all plan administration costs agreed to by  
17 the school district relating to the 457 plan.

18 (d) A school district that establishes or maintains a plan  
19 under Section 457 of the Internal Revenue Code of 1986 shall  
20 select more than one financial institution or investment  
21 provider, in addition to the financial institution or  
22 investment provider that has entered into a written agreement  
23 under subsection (b), to provide services to the 457 plan. A  
24 financial institution or investment provider shall be  
25 designated a 457 plan provider if the financial institution or  
26 investment provider enters in an agreement in accordance with

1 subsection (c)

2 (e) A school district shall have one year from the  
3 effective date of this amendatory Act of the 103rd General  
4 Assembly to find a 457 plan provider under this Section.