



Sen. Karina Villa

Filed: 5/7/2024

10300SB2568sam006

LRB103 31865 RJT 73100 a

1 AMENDMENT TO SENATE BILL 2568

2 AMENDMENT NO. _____. Amend Senate Bill 2568, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The School Code is amended by adding Section
6 22-100 as follows:

7 (105 ILCS 5/22-100 new)

8 Sec. 22-100. Retirement savings plans; requirements.

9 (a) This Section applies to contracts entered into or
10 renewed on or after the effective date of this amendatory Act
11 of the 103rd General Assembly.

12 (b) By July 1, 2026, the school board of each school
13 district in the State that offers its employees a retirement
14 savings plan established under Section 403(b) of the Internal
15 Revenue Code of 1986 may enter into a contract with one or more
16 vendors to provide participants with plan investments options.

1 Any vendor selected under this Section after the effective
2 date of this amendatory Act of the 103rd General Assembly must
3 be mutually agreed upon by the affected collective bargaining
4 unit or units and the school board and must ensure that:

5 (1) neither it nor the plan investment options it
6 provides impose an administrative asset-based fee in
7 excess of 0.50%;

8 (2) neither it nor the plan investment options it
9 provides impose front-end sales or advisory charges;

10 (3) neither it nor the plan investment options it
11 provides impose surrender charges;

12 (4) the provided plan investment options offer access
13 to all of the following types of funds:

14 (A) a target-date index fund with an expense ratio
15 that is less than or equal to 0.25%;

16 (B) a broad-based domestic index fund with an
17 expense ratio that is less than or equal to 0.10%;

18 (C) a broad-based bond index fund with an expense
19 ratio that is less than or equal to 0.10%; and

20 (D) an international index fund with an expense
21 ratio that is less than or equal to 0.10%.

22 (c) Any vendor offering a plan under this Section may
23 charge an investment advisory representative fee not to exceed
24 0.50% annually.

25 (d) If any new vendor is chosen to administer a retirement
26 savings plan that is offered by the school board of a school

1 district under this Section, an employee of the school
2 district may opt out of having the employee's individual
3 403(b) mutual fund custodial account or annuity contract
4 transferred to that new vendor. This subsection does not apply
5 to assets held by the employer in a group contract.

6 (e) A participant who is contributing to a 403(b)
7 retirement savings plan account through a salary reduction
8 agreement on or before the effective date of this amendatory
9 Act of the 103rd General Assembly may continue to make
10 contributions even if the account does not meet the
11 requirements provided in this Section.

12 (f) If a participant stops contributing to a 403(b)
13 retirement savings plan account that does not meet the
14 requirements of this Section, then the participant is no
15 longer eligible to make salary reduction contributions to the
16 403(b) retirement savings plan account that does not meet the
17 requirements of this Section.

18 (g) A collective bargaining unit is not liable in the
19 selection of a vendor under this Section.

20 (h) Nothing in this Section may cause or be used to support
21 liability against a school board or any of a school board's
22 employees under any theory of law or equity, including, but
23 not limited to, contract law.

24 (i) Nothing in this Section may be interpreted to require
25 a school board to violate any laws, the terms of an existing
26 403(b) plan document, or the terms of any collective

1 bargaining agreement or contract.".