

AN ACT concerning public employee benefits.

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

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

(105 ILCS 5/22-95 new)

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

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

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

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

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

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

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

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

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

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

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

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

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