

AMEND BOARD REPORT 02-1120-RS06
RESOLUTION AMENDING THE TAX-DEFERRED COMPENSATION PROGRAM

WHEREAS, the Board of Education of the City of Chicago (the "Board") is a school district, existing pursuant to the Illinois School Code, with boundaries co-terminus with those of the City of Chicago; and

WHEREAS, the Board is an entity which may establish and maintain a "governmental plan" as that term is defined in section 414(d) of the Internal Revenue Code of 1986, as amended (the "Code") and in section 3(32) of the Employee Retirement Income Security Act of 1974, as amended; and

WHEREAS, the Board is authorized to establish a tax-deferred compensation program for its employees pursuant to section 24-107 of the Illinois Pension Code; and

WHEREAS, the Board had previously authorized in 1968 a tax-deferred compensation program for its employees, which over the years has been known by various names; and

WHEREAS, the Board has administered that tax-deferred compensation program in accordance with Code section 403(b); and

WHEREAS, the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA") (P.L. 107-16) amended the Code; and

WHEREAS, the EGTRRA amendments to the Code provides the Board with an opportunity to amend its tax-deferred compensation program in order to provide the Board's employees with a greater opportunity to save for retirement on a tax-preferred basis; and

WHEREAS, the Board wishes to expand the tax-deferred compensation program to include not only a Code section 403(b) plan, but also a Code section 457 plan; and

WHEREAS, the addition of the Code section 457 plan would allow the Board's employees to double the amount which they may save for retirement through salary-reduction contributions; and

WHEREAS, the Board's employees will generally be able to utilize the service providers and investment options available under the Code section 403(b) plan; and

WHEREAS, the Board desires to clearly state the roles and responsibilities of the Board and the participants under the tax-deferred compensation program; and

WHEREAS, the Chicago Public Schools 403(b) Tax-Deferred Compensation Plan document has been revised, effective January 1, 2003, a copy of which is on file in the Board's office; and

WHEREAS, a Chicago Public Schools 457 Tax-Deferred Compensation Plan document has been drafted, effective January 1, 2003, a copy of which is on file in the Board's office.

WHEREAS, this Amendment is necessary in order to update the title of the Board personnel and department responsible for oversight and implementation of the Chicago Public Schools Tax-Deferred Compensation Program ("Program"), and in order to further clarify the authority of said personnel to amend and implement any documents regarding the Program and any 403(b) and/or 457 Plan documents pursuant to or regarding the Program.

NOW THEREFORE, BE IT RESOLVED, by the Board of Education of the City of Chicago:

1. The recitals of this Resolution be, and are hereby, incorporated into this text as if set out herein in full.
2. The Chicago Public Schools Tax-Deferred Compensation Program be, and is hereby, amended effective January 1, 2003, by adding the Chicago Public Schools 457 Tax-Deferred Compensation Plan.

3. The Chicago Public Schools 403(b) Tax-Deferred Compensation Plan, which is a part of the Chicago Public Schools Tax Deferred Compensation Program, be, and is hereby, amended effective January 1, 2003.
4. The Board's Director of ~~the Bureau of Risk~~ Compensation and Benefits Management be, and is hereby, authorized to implement the Chicago Public Schools Tax-Deferred Compensation Program in accordance with this resolution and the Board's policies and procedures.
5. The Board's Director of Compensation and Benefits Management be, and is hereby, authorized to amend and further implement any and all written documents regarding the Program and the above described Plans, in whole or in part, as determined by said Director and in accordance with this amended resolution, and that no further formal Board authorization is required for such. This delegation does not include authority to enter into third-party vendor contracts beyond Board authorized policies and procedures.