

**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.

**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 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.