

OHLONE COMMUNITY COLLEGE DISTRICT

MEMORANDUM

TO: Board of Trustees

FROM: Douglas Treadway

DATE: February 9, 2005

SUBJECT: Approval of Board Resolution No. 12/04-05 Adopting a 403b Plan and a 457b Plan

It is requested that the Board of Trustees approve the proposed resolution establishing Tax Sheltered Annuity 403b and Governmental 457b Deferred Compensation Plans to eligible employees. The resolution requires the plans conform to applicable law, that the mandated ongoing compliance reviews be conducted, and that necessary procedures and controls be established by the District. The resolution also authorizes the President/Superintendent to engage the services of an independent third party administrator at no cost to the District.

Eligible District employees and Board of Trustees currently may invest directly with 403b vendors. New Internal Revenue Code regulations require that the District create a 403b Plan document and provide investment advice to 403b plan participants. Current 403b participants may continue their investment choices and at no additional cost to the employee or the District.

The District does not offer a Governmental 457b plan to employees or trustees. The proposed 457b plan will offer eligible employees and Trustees a very flexible savings plan, including no penalty for early withdrawal and balance loans, at no cost to the District.

RECOMMENDATION:

The President/Superintendent recommends that the Board of Trustees approve the resolution which authorizes a 403b plan document and a Governmental 457b Deferred Compensation Plan. There is no additional cost to employees currently participating in the District 403b plan and no cost to the District for the 457b or 403b plan.

DT:LKE/di/403b and 457b Resolution Cover 02-09-05

Attachment