

OHLONE COMMUNITY COLLEGE DISTRICT

MEMORANDUM

TO: Board of Trustees

FROM: Gari Browning

DATE: October 8, 2008

SUBJECT: Approval of Resolution No. 3/08-09
Approval of ING Life Insurance and Annuity Company (“ILIAC”) to Function as
the District’s 403(b) Plan Administrator

Consent Agenda item

The Internal Revenue Service released new regulations in mid-2007 governing Tax Sheltered Annuity 403(b) plans. First and foremost is the requirement that by January 1, 2009 a Plan document be created and maintained which, among other things, stipulates the terms under which the 403(b) is administered. In addition to the Plan requirement other provisions include increased employer control and responsibility, the need for centralized recordkeeping and changed to rules for participant eligibility.

The Dean of Human Resources held discussions with several financial firms to determine their ability to assist the District to come into compliance with the new IRS regulations. Firms were rated on a number of factors including fee structure, financial resources, recognition of current 403(b) CalPERS vendors, willingness to issue a hold harmless agreement and ability to include adjunct faculty in the program, among others.

As a result of these discussions and analysis, it was decided that ILIAC be recommended as the District’s 403(b) Plan Administrator. They have been serving the educational sector since 1967, including the K-12 and higher education markets, with assets over \$19.2 billion. The ILIAC representative is familiar with the District and has already established relationships with a number of employees. The Human Resources benefits staff share confidence in the business practices demonstrated by ILIAC, particularly in accessibility and promptness of inquiry responses. Finally, ILIAC will function as the sole service delivery provider and will not subcontract.

RECOMMENDATION

The President/Superintendent recommends approval of Resolution No. 3/08-09 to retain ILIAC to provide 403(b) Plan administration services.