

OHLONE COMMUNITY COLLEGE DISTRICT

MEMORANDUM

TO: Board of Trustees

FROM: Gari Browning

DATE: July 15, 2009

SUBJECT: Approval of Resolution No. 02/09-10 to Transfer Administration of the District's 403(b) Plan from ING Life Insurance and Annuity Company (ILIAC) to Great American Plan Administrators (GAPA)

On October 8, 2008 the Board of Trustees approved Resolution No. 03/08-09 naming ILIAC to function as the third party administrator of the District's 403b Plan and naming Planwithease.com to perform plan-related common remitter services. The agreement with ILIAC became effective on January 1, 2009 and brought the District in full compliance with IRS regulations regarding 403b plan administration.

Among the key factors considered in recommending ILIAC as Plan Administrator was the number of vendor agreements that were in place with individual investment firms. These agreements oversee the relationship between the Plan Administrator and investment firms that are used by plan participants to invest their pre-tax contributions. Staff was assured that ILIAC had agreements in place with a majority of the 76 vendors shown on the CalSTRS 403b Compare list. However, the actual number of vendor agreements in place totaled only nine firms. This shortfall of vendors resulted in many District plan participants having to change vendors, switch from a 403b to a 457 Plan to retain preferred vendors or terminate their 403b Plan participation.

To rectify the above situation, District staff proposes a change in 403b Plan Administration from ILIAC to GAPA. GAPA currently provides third party administration services to several California Community College Districts including Peralta, Mt. San Jacinto and Hartnell, with others soon to be added. GAPA maintains vendor agreements with 74 of the 76 vendors on the CalSTRS 403b Compare list and has educational and consulting services provided by Zuk Financial. Additionally, there is no fee to the District for any of the services provided by GAPA or Zuk Financial.

RECOMMENDATION

The President/Superintendent recommends that the Board of Trustees approve Resolution No. 02/09-10 to transfer administration of the District's 403b Plan from ILIAC to GAPA effective September 3, 2009.