




College Station Independent School District

Success....each life....each day....each hour

MEMORANDUM

To: Dr. Eddie Coulson, Superintendent

From: Mike Ball, Deputy Superintendent for Business and Operations 

Date: March 10, 2008

Subject: Consider approval of an Interlocal Agreement with the Region X ESC Cooperative for Section 457 Plan Participation and Administration

Agenda Item: K-4

Board Priority/
District Goal: Priority 3, Goal 4

BACKGROUND

The Internal Revenue Service has recently issued final regulations that will impact the way Internal Revenue Code Section 403(b) Plans are administered. These regulations will require that employer sponsors of Sec. 403(b) Plans assume much more responsibility for plan administration that is currently required. It is also expected that the choices of investment vehicles available to employees for placing their funds will be much more limited after January 1, 2009, the effective date of the new regulations.

The Region X Education Service Center has formed a Cooperative that provides employees of participating Districts access to a Sec. 457 Retirement Plan. This plan would provide new options for employees as they choose where to invest their own retirement funds

It is believed that this Cooperative will provide employees with additional investment choices at a time when their options for Sec. 403(b) Plans will be limited by the market responses to the new Internal Revenue Service Regulations.

RECOMMENDATION

It is recommended that the Board of Trustees of College Station Independent School District consider approval of the Interlocal Agreement with the Region X ESC Cooperative for Section 457 Plan Participation and Administration and the associated Resolution that establishes a Section 457 Plan and authorizes the Deputy Superintendent for Business and Operations to execute the agreement on behalf of the District.