

Board Meeting
November 15, 2018

APPROVE AMENDMENT 2018-1 TO THE 403(b) PLAN DOCUMENT

Action: Approve Amendment 2018-1 to the 403(b) Plan Document

Funding: No New Funding Required

University Human Resource Services recommends for approval an amendment to the plan document for the University of Illinois Supplemental 403(b) Retirement Plan (“Plan”) to comply with legislative directives enacted by Sections 41113 and 41114 of the Bipartisan Budget Act of 2018 (H.R. 1892) that are applicable to 403(b) plan hardship withdrawal requirements.

The 403(b) Plan is a voluntary defined contribution plan intended to have tax favored status under Section 403(b) of the Internal Revenue Code of 1986, as amended. Section 1.403(b)-3(b)(3) of the Treasury Regulations provides that the Plan document must contain all material terms and conditions for eligibility, benefits, applicable limitations, the contracts available under the Plan, and the time and form under which benefit distributions would be made.

The text of this Plan amendment complies with the Bipartisan Budget Act of 2018 to remove two provisions: 1) a requirement to take all available nontaxable loans from plans maintained by the employer prior to a hardship withdrawal, and 2) a suspension of deferrals for six months following a hardship withdrawal. The amendment

is compliant with applicable mandates and was prepared by Jackson Lewis P.C., with authorization from University Counsel.

It is recommended that the Board of Trustees approve and adopt the attached Amendment 2018-1 to the Plan document, as the document governing the administration of the University of Illinois Supplemental 403(b) Retirement Plan.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes, The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The Executive Vice President and Vice President for Academic Affairs concurs.

The President of the University recommends approval.