Approved by the Board of Trustees

July 22, 2021

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 Board Meeting

 July 22, 2021

Resolution to adopt SURS 457(b) Deferred Compensation Plan

**Action:** Resolution to adopt SURS 457(b) Deferred Compensation Plan

**Funding:** No New Funding Required

 System Human Resource Services advances for approval a resolution provided by the State Universities Retirement System (“SURS”) to adopt the *State Universities Retirement System Deferred Compensation Plan* (“SURS DCP”). The SURS DCP is authorized under Illinois State law (Section 15-202 of the Illinois Pension Code) and receives tax-favorable treatment as an “eligible deferred compensation plan” under Section 457(b) of the Internal Revenue Code.

 SURS requires all eligible SURS-covered employers, including the University of Illinois System, to adopt the SURS DCP through approval of the Resolution to Adopt Plan and completion of the Employer Participation Agreement. The Resolution to Adopt Plan and Employer Participation Agreement are included.

 Once the SURS DCP is adopted and implemented by the University of Illinois System and approved by SURS, all active SURS-eligible employees will have the option to voluntarily participate in the SURS DCP and elect to defer pre-tax contributions and/or Roth contributions to the SURS DCP in either flat dollar amounts or percentages per pay period, pursuant to the terms of the SURS DCP and applicable law. The University of Illinois System will not make discretionary matching contributions, nor discretionary nonelective contributions, both of which are optional under the Employer Participation Agreement.

 The University of Illinois System currently sponsors and maintains a supplemental 403(b) plan for its eligible employees. In addition, employees have access to a separate 457(b) plan administered by the State of Illinois Department of Central Management Services (“CMS”). While the University is required by SURS to also adopt the SURS DCP, the administration and investment duties and authority of the SURS DCP are controlled by SURS. However, by adopting the SURS DCP, the University must agree to perform administrative and technical functions to facilitate employee enrollment into the SURS DCP, process employee salary reduction agreements and remittance of elective deferrals, and monitor compliance with applicable contribution limits, as specified in the Employer Participation Agreement.

 The Resolution to Adopt Plan and Employer Participation Agreement are generally consistent with 457(b) plan requirements as reviewed by Spencer Fane LLP, with authorization from University Counsel.

 It is recommended that the Board of Trustees approve and adopt the SURS DCP as required.

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

 The President of the University recommends approval.