

Personnel Management and Services
Nelson E. Diaz, Deputy Superintendent

SUBJECT: AUTHORIZATION FOR CONFIRMATION OF THE CREATION OF A MONEY PURCHASE PLAN PURSUANT TO SECTION 401(a) OF THE INTERNAL REVENUE CODE

Pursuant to changes enacted by the legislature in 1997, School Board Members, referred to by the Florida Retirement System (FRS) as Elected State and County Officers' Class (ESCOC), have the opportunity to voluntarily withdraw from participation in the Florida Retirement System.

The allowable investment vehicle must be within a qualified plan, pursuant to Section 401(a) of the Internal Revenue Code. Staff has been working with ICMA Retirement Corporation, a not-for-profit company which provides pension and investment plans for public bodies, such as counties, cities, etc., to establish such a plan.

Staff is recommending that the Board confirm the establishment of a Money Purchase Plan and Trust, pursuant to the provision of Section 401(a) of the Internal Revenue Code, to provide Board members who elect to withdraw from the FRS access to the various investment options available through ICMA Retirement Corporation, effective March 1, 1999. ICMA Retirement Corporation is recommended as the plan administrator, to be paid an annual fee not to exceed \$1,000, to be paid from the Office of Risk and Benefit Management's Professional and Technical Budget.

The appropriation for this item is included in the 1998-99 Adopted Budget under Fund 0100, Object 5310, Program 7760, Function 7790, Location 9112.

RECOMMENDED: That The School Board of Miami-Dade County, Florida:

1. approve a resolution to confirm the establishment of the Miami-Dade County School Board Money Purchase Plan in the form of the ICMA Retirement Corporation Governmental Money Purchase Plan and Trust for eligible Board members pursuant to guidelines established for the ESCOC, effective March 1, 1999;
2. name ICMA Retirement Corporation as the plan administrator for the Miami-Dade County School Board Money Purchase Plan and Trust at an annual cost not to exceed \$1,000; and
3. approve the ICMA Retirement Corporation Governmental Money Purchase Plan and Trust Adoption Agreement.

Revised

The appropriation for this item is included in the 1998-99 Adopted Budget and will be included in the 1999-2000 Tentative Budget to be recommended for adoption in July 1999.