

Business Operations
Ofelia San Pedro, Deputy Superintendent

**SUBJECT: REQUEST FOR AUTHORIZATION TO RENEW THE
BOARD'S CONTRACT WITH BENCOR, INC. FOR
ADMINISTRATION OF THE TERMINAL LEAVE
RETIREMENT PLAN (TLRP)**

**COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL
RELATIONS**

At the Board meeting of May 14, 2003, the Board approved a resolution to establish the Miami-Dade County School Board 401(a)/403(b) Terminal Leave Retirement Plan (TLRP), in the form of the Bencor National Government Employees Retirement Plan, Bencor Special Pay Plans for Terminal Leave Retirement Plan, sponsored by Bencor, Inc. In addition to authorizing establishment of the plan, the Board awarded a contract for administration of the TLRP to Bencor, effective May 15, 2003, subject to the terms and conditions contained in Bencor's proposal and subsequent written and oral negotiations, provided in response to RFP# 082-CC10, for an initial three year period, with the option to extend the contract for an additional two year period, for a maximum term of five (5) years.

Subsequently, at the Board meeting of June 15, 2005, the Board authorized staff to take the necessary steps to disallow any new contributions to the §401(a) Plan, effective July 1, 2005, until such time as the Internal Revenue Service (IRS) provided a determination letter with respect to whether or not the plan provides for substantial and recurring contributions. Contributions to the §403(b) Plan have been allowed to continue, as it was determined that this aspect of the program was in compliance with IRS requirements.

At the June 15, 2005 Board meeting, the Board also authorized the law firm of Greenberg, Traurig, P.A. to seek the necessary determination and private letter ruling letters from the IRS on both plans. These private ruling letter requests have been sent to the IRS and we are currently awaiting responses.

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Under normal circumstances, a Request For Proposal (RFP) could have been issued to seek competitive proposals for the administration of the Board's TLRP program for a new three year term, effective May 15, 2006. However, due to the fact that the 401(a) portion of the program is currently frozen, awaiting the IRS response, staff is recommending a one year renewal extension of the administration of the program with Bencor, Inc., as provided in the original RFP# 082-CC10, and approved at the Board meeting of May 14, 2003. Once IRS guidance is received, and the program's future is clearer with regard to investment offerings, competitive proposals for administrative services for the IRS approved program will be sought through the issuance of an RFP.

Bencor, Inc. has agreed to hold its current management and expense fee of .95% for the renewal extension, as well as continuing the current contribution for staff support for the Office of Risk and Benefits Management at \$50,000 annually, subject to four quarterly payments of \$12, 500.

RECOMMENDED: That The School Board of Miami-Dade County, Florida authorize a one year extension of its current contract for administrative services of the Board's Terminal Leave Retirement Plan (TLRP) to Bencor, Inc., effective May 15, 2006, pursuant to the provisions contained within RFP# 082-CC10, with all fees, terms and conditions of its expiring contract to remain in force for the contract extension period.

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