

Financial Affairs
Richard H. Hinds, Chief Financial Officer

**SUBJECT: REQUEST FOR AUTHORIZATION TO CONTRACT WITH ICMA
RETIREMENT CORPORATION TO ESTABLISH A SECTION 457
DEFERRED COMPENSATION PLAN**

At the Board meeting of May 12, 1999, the Board established the Miami-Dade County School Board's Money Purchase Plan, in the form of the ICMA Retirement Corporation Governmental Money Purchase Plan and Trust, for eligible Board members, pursuant to the guidelines established for the Elected State and County Officers' Class (ESCOC) under the Florida Retirement System (FRS). At the Board meeting of December 12, 2001, the Board authorized the plan to be amended to allow personnel in the Senior Management Service Class (SMSC) to have their retirement contributions directed to ICMA.

As a result of the changes made by The Economic Growth and Tax Relief Reconciliation Act (EGTRRA) of 2001 employees may defer additional amounts of income than in the past for current programs offered by the Board including the 401(k) and 403(b) programs. One aspect of the law provides for catch up contributions allowing older participants to contribute additional deferrals to plans currently offered by the Board, as well as 457(b) plans, which the Board does not currently offer.

Following meetings with the Board's employee benefit legal consultant, Mr. Steve Lapidus, Greenberg, Traurig, P.A., and representatives from ICMA Retirement Corporation, it is being recommended that the Board contract with ICMA Retirement Corporation to establish a Deferred Compensation Plan, pursuant to Section 457 of the Internal Revenue Code (457 Plan) to provide employees and additional deferred compensation opportunity. Because of ICMA's current relationship with the Board, and their very competitive fee structure as a not for profit annuity company which deals exclusively with governmental entities, it is recommended that the initial program be established with them.

The agenda item will include resolutions for the Board to adopt a plan document, adoption of an administrative services agreement, adoption of a group trust, appointing the Board as Trustee, and adoption of a loan provision.

Staff and the Board's consultant are finalizing all necessary documents which the Board will have to approve, and a full agenda item will be provided to the Board no later than Friday, June 14, 2002.