

THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

FINANCIAL SERVICES DEPARTMENT

M_E_M_O_R_A_N_D_U_M

TO: Mitsi Corcoran, Chief Financial Officer

FROM: Lynn Peterson, Supervisor of Risk Management

DATE: January 30, 2014

SUBJECT: 403(b) Plan Document Amendment

BACKGROUND

The 403(b) Plan documents have been recently updated to include changes required by the Internal Revenue Service (IRS). The updates made include requirements of the **HEART Act** and the **WRERA Act**.

The **HEART Act** (Heroes Returning Assistance and Tax Relief Act of 2008/H.R.6081) is a bill that preserves and re-instates certain benefit rights for employees with qualified military service. The main features include survivor benefits, differential wages, distribution and loan repayments and penalty-free withdrawals.

The **WRERA Act** (Worker, Retiree, and Employer Recovery Act of 2008/H.R.7327) is a bill that made technical corrections to the Pension Protection Act of 2006 and provides for additional amendments to PPA-06, the Internal Revenue Code and Age Discrimination in Employment Act of 1967. The main features include waiver of required minimum distributions and non-spouse beneficiaries.

The Plan Document reflects the following changes:

- **Section 1.15** addition of the following: "Beginning in 2009 and thereafter such term also includes any differential pay that may be received while performing qualified military service under Section 414(U) of the Code."
- **Section 4.4** is replaced with the following: "Loan Repayments for Employees in Military Service. Notwithstanding any other provision of the Plan or any Annuity Contract or Custodial Account, loan repayments by eligible uniformed services personnel maybe suspended as permitted under section 414(u)(4) of the Code and the terms of any loan shall be modified to conform therewith."
- **Section 9.13** was added as follows: "Qualified Military Service Benefits. Notwithstanding any other provision of this Plan, any Participant whose employment is interrupted by qualified uniformed service in the military under section 414(u) of the Code shall be entitled to all rights, benefits and protections afforded to such individuals thereunder, and such provisions are incorporated into this Plan. Uniformed services by any individual shall be determined as described in section 3401(h) (2) (A) of the Code."

RECOMMENDATION

The Board adopts the 403(b) Plan document as amended.

Attachments