

**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: Bert Palmer, Risk Manager  
DATE: October 21, 2009  
SUBJECT: Termination of 401(a) Plan

**Background**

The *Exclusive Benefit Governmental 401(a) Nontrusteed Retirement Plan* (the Plan) was established by School Board action on March 19, 1996. The Plan is administered by the Variable Annuity Life insurance Company (VALIC). The Plan was established for the benefit of certain senior management staff that desired not to participate in the Florida Retirement System (FRS) traditional pension plan.

**Current Plan Status**

The Plan is dormant and unnecessary now that the FRS has established the *Investment Plan*. The school district also sponsors other tax deferred investment options that serve the same purpose. The Plan currently has one participant with a remaining balance of \$1,556.67.

**Recommendation**

The Plan should be terminated to avoid the unnecessary expense associated with compliance updates and IRS reporting. The participant with an account balance in the Plan will be notified by the administrator that the Plan has been terminated. The participant's account balance will then be rolled over to an Individual Retirement Account (IRA). The attached Resolution Authorizing Plan Termination and Amendment to School Board of Sarasota County Exclusive Benefit Governmental 401(a) Nontrusteed Retirement Plan must be approved and executed by the School Board in order to officially terminate the Plan.

If you have any questions, please let me know.

Attachments (2)