

Santa Monica College  
**Collegewide Benefits Committee**  
**Minutes of the Meeting**  
**May 29, 2008**

Present

Sandi Burnett, Co-Chair  
Marcy Wade, Co-chair  
Willis Barton  
Martin Goldstein  
Mitra Moassessi  
Anna Rojas

Absent

Lenore Banders  
Rhonda Hyatt  
Sherri Lee-Lewis

Guests

Susan Aminoff  
Julia Durand, CalSTRS  
Michelle Emmal, CalSTRS  
Doug Holt, TDS Group

Assistant

Letty Kilian, Staff Assistant  
Mimi Vaval, Resource Staff Assistant

Co-chair Sandi Burnett called the meeting to order at 9:40 a.m. without quorum.

Reports and Discussion

**TDS Group 403(b) Plan Presentation** – The presentation included the following points.

- TDS Group is an independent TPA for public schools and non-profit organizations.
- Currently the vendors are handling the administration of the 403(b) comply plan; however, the new IRS regulations which go into effect next year, place the compliance liability on the employer.
- Among some of the responsibilities placed on the plan sponsor (District), is maintaining plan compliance, daily plan administration, and employee communications.
- As plan administrator, TDS will provide assistance to the District to ensure the District's plan is compliant by providing
  - Informational sharing agreement – ensuring that 403B vendors have access to our plan;
  - salary reduction authorization;
  - written plan procedures for loans, hardship withdrawals, in-service distributions.
- TDS relieves the District of any investment fiduciary responsibility.
- Eighty-eight vendors can participate.
- TDS also provides educational literature to participants of all relevant changes; TDS believes that employees should be regularly informed of their available options.
- TDS offers educational literature, workshops, and presentations.
- Compliance program fees are \$0.25 per participant per payroll cycle (total of 10 cycles).

**CalSTRS Presentation** – The presentation included the following information.

- CalSTRS 403bComply is a compliance and administration program for 403(b) plans.
- As of January 1, 2009, the IRS regulations will place a large portion of compliance administration from 403(b) vendors to the employer districts.

- The new regulations require plan sponsors to maintain contracts with all existing and new vendors who service their 403(b) plans
- One of the key requirements is that the plan sponsor is expected to create and maintain a legal plan document outlining the legal provisions for its plan (i.e., eligibility, contributions, withdrawals, etc.).
- Assembly Bill 2064 legislates that all vendors are on the 403(b) comply.
- CalSTRS 403(b) Comply is offering compliance and administration services in partnership with the Omni Group who provide complete plan administration and on-going compliance with the IRC.
- There are no products sold by the Omni Group
- The start-up process is about 6 to 10 weeks and includes a pre-audit to bring current programs into compliance and to establish an administrative database. The CalSTRS representative suggested that the District began
  - Work on plan document in the summer
  - Provide meaningful notice in the fall
  - Remittance test file also in the fall
  - By December everything should be in place.
- The annual fee is \$10 per eligible employee or \$30 per active participant.

Marcy had a concern that there may be a conflict with our fiscally dependent entity; we will find out if LACOE has some arrangement.

Co-chair Burnett stated that the Committee needs to recognize that the 457 Plan is a different issue and not tied to the 403(b) compliance. Recognize that the Committee does not need to decide on the 403(b) today but continue with our quest for more information and ultimately, the decision needs to be made by the Administration.

**FACC** – New part-time faculty who are not eligible to purchase health insurance through the District now have the option to purchase a medical health plan through the Faculty Association California Community Colleges.

**Employee Assistance Program** – Co-chair Marcy Wade will be placing an Employee Assistance Program item on the Board of Trustees agenda for implementation. Once the Board authorizes its implementation, there will be an effort to advertise that this service is available to benefits-eligible employees. The Employee Assistance Service for Education will provide the District with a generic report on an annual basis. The cost associated with this service is \$10.20 per year per employee.

**Fall 2008 Health Fair** – The Faculty Association of California Community Colleges will be invited to participate in the Health Fair that will be held on Flex Day, August 21, 2008.

Agenda for Next Meeting

- Discuss Benefits Committee meeting on a quarterly basis.

Adjournment: 11:10 a.m.

The next meeting of the Collegewide Benefits Committee will be held on Tuesday, September 9 from 2:30 to 4:00 p.m. in the Library Conference Room.

\*The Minutes of February 14, March 20, and March 25, 2008 were approved by consensus via email.