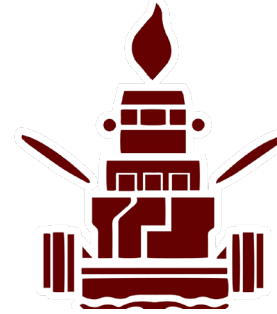


Introductions

Stefanie Croix

Moderator

- *Director of Business Services, CSBO,*
- *Lockport Township High School District 205*



Jennifer Prorise, MBA, CFP, CRES

Speaker

- *Financial Advisor*
- *The Voyager Group, Ltd.*



Nathan Glassey, TGPC, QKA, CRES

Speaker

- *NTSA Executive Director, ARA*



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403(b) Legislation and the Problems it Can Cause You



NTSA

National Tax-Deferred
Savings Association

- Who is the NTSA?
- What do they do?
- Why would a School Business Official need to know about the NTSA?

- Who is The Voyager Group, Ltd?
- What do they do?



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AMERICAN RETIREMENT ASSOCIATION

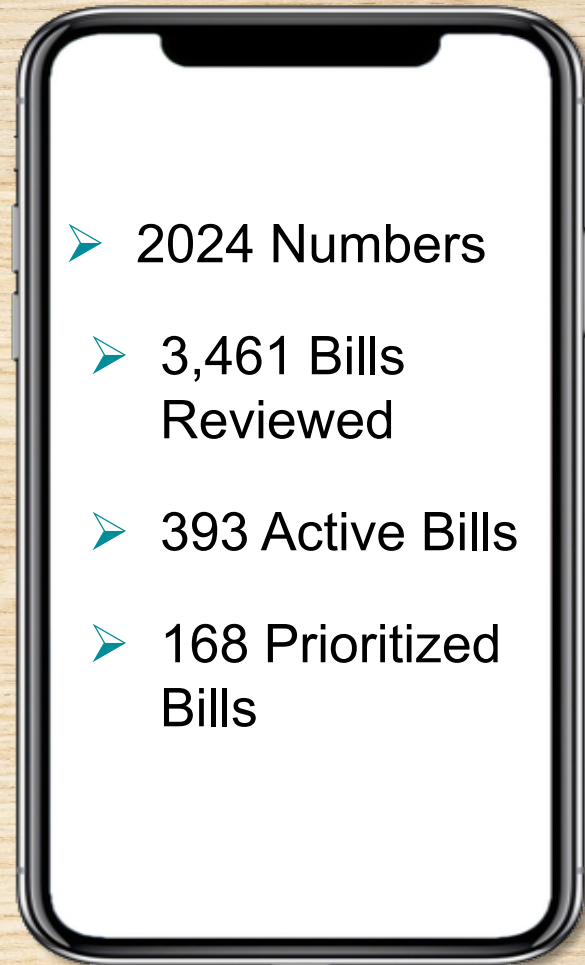
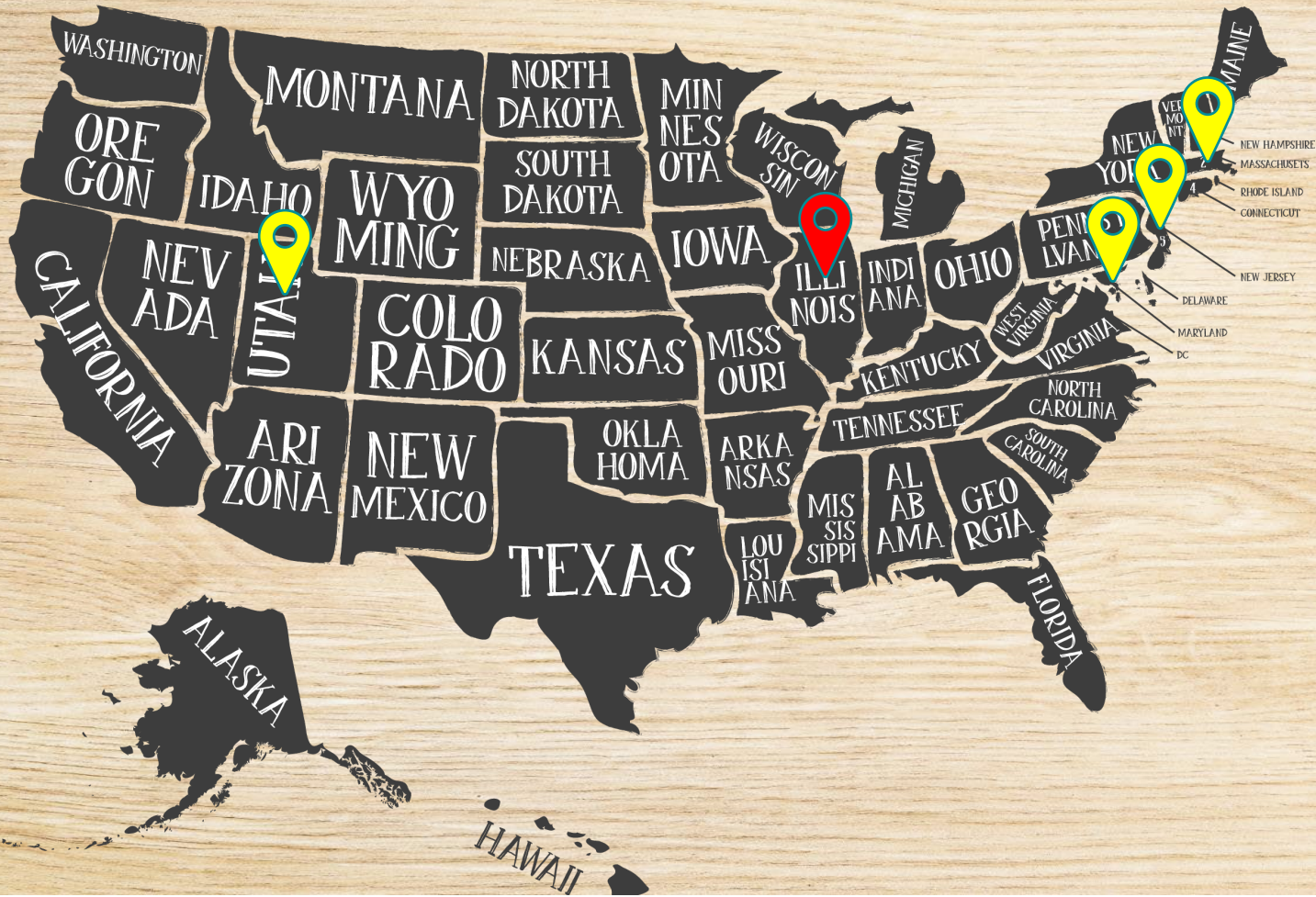
 **ASPPA** Third-Party Administrators,
Record Keepers, Consultants

 **ASEA** Enrolled Actuaries

 **NAPA** Retirement Plan Advisors

 **NTSA** Professionals in the 403(b)
and 457(b) Marketplace

 **PSCA** Defined Contribution Plan Sponsors



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- 7 Prioritized Bills
 - 3 Coverage Bills
 - 2 Auto Enroll Bills
 - 1 DROP Bill
 - 1 Single Vendor Bill
- Players
 - Michael Cassidy
 - Senator Villa
 - Senator Martwick
 - Senator Halpin
 - Rep Kifowit
 - Rep Hirschauer
 - IASBO
 - IEA
 - IFT



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Which Bills are Positive?

- Coverage Bills
 - IL HB 1147
 - IL HB 4719
 - IL SB 3073
- Coverage for small business employers that do not have a retirement plan in place
- DROP Plan
 - IL HB 5498
- Strengthens the Deferred Retirement Option Plan
- Allows an educator to keep working and not lose benefits



Which Bills are Potentially Harmful?

- Auto Enroll
 - IL HB 2623
 - IL HB 3138
- Auto-Enroll bills that do not have a component of education embedded can cause problems for specific employees
- Single Vendor Mandate
 - IL SB 2568
- Eliminates choice and creates fiduciary liability on those who decide on the sole provider



Potential Positives of Multi-Vendor

- Choice
 - Vendor & Advisor
- Education
 - All Aspects (Pension, 403(b), SS, Student Loan Forgiveness, Debt Counseling, etc.)
- Limit fiduciary liability
 - 403(b) school district plans are not subject to ERISA



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Potential Pitfalls of Multi-Vendor

- Fees
 - Who determines the fees?
- Control
 - Control is given to the employee, not the district
 - Who can work with participants
- Lack of fiduciary oversight
 - What is in place to ensure the participant is protected



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Potential Positives of Single Vendor

- Control
 - District takes total control of plan
- Fees dictated by bidding process
 - All fees are dictated and set for the plan
- Limited fiduciary oversight
 - Although not subject to ERISA, some fiduciary oversight is placed on the district



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Potential Pitfalls of Single Vendor

- Eliminate advisor support
 - Who takes on all aspects of Education
- Auto-unenroll participants
 - What happens to current participants
- Increased fiduciary liability
 - What liability is taken on by the district
- Deselected vendor accounts
 - Who provides administration of deselected accounts
- Vendor selection concerns
 - Who provides oversight to the selection committee



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What are We Trying to Solve?

Access to advice



“High” Fees



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How can we solve it?

1. Stronger industry standards
2. Transparency
3. CRES



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CRES Standards



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CRES Standards

In addition to the ARA Code of Conduct, advisors who earn the CRES designation must also abide by the following conduct and ethical standards:

- 1 Solicitation Agreement
- 2 Client Best Interest & Disclosure
- 3 NTSA Presentation Standard



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Questions and Answers

We thank you for your time!



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