

PERALTA COMMUNITY COLLEGE DISTRICT
Board of Trustees Agenda Report
For the Trustee Meeting Date of December 15, 2009

ITEM # 5

ITEM TITLE:

Add Fidelity Investments and FTJ FundChoice vendor options for the tax-deferred 457 plan.

SPECIFIC BOARD ACTION REQUESTED:

Recommend approval of two additional investment vendors

1. Fidelity Investments – offering over 200 mutual fund options
2. FTJ FundChoice – offering over 1000 mutual fund options

ITEM SUMMARY:

In 2006 the District introduced the 457 Plan as an employee benefit through RSG Securites offering over 55 investment options.

The 457 plan allows the employees to tax-defer money under more favorable distribution rules than apply under the 403(b) Plan. We are looking to increase the number of vendors willing to accept our employees' tax deferred monies. Fidelity & FTJ FundChoice exist as approved vendors under the 403(b) Plan, but the 457 plan requires separate board action.

Among the 457 offerings, we would increase the mutual fund options for our employees from 55 to 1255.

BACKGROUND/ANALYSIS:

We are adding Fidelity & FTJ FundChoice as options

- in response to employee recommendations
- to expand the voluntary investment choices for our employees
- to encourage more employees to save for retirement under a tax plan with less rigorous distribution rules
- to minimize the exposure to administrative fees assessed to employees

ALTERNATIVES/OPTIONS:

EVALUATION AND RECOMMENDED ACTION:

WE RECOMMEND APPROVAL

SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):

NO BUDGETARY IMPACT

OTHER DEPARTMENTS IMPACTED BY THIS ACTION (E.G. INFORMATION TECHNOLOGY):

YES X No

COMMENTS:

PAYROLL WILL NEED TO MAKE ADMINISTRATIVE MODIFICATIONS

THE BENEFITS OFFICE WILL COMMUNICATE THE ADDITIONAL INVESTMENT CHOICES

WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING?

Thomas Smith, Vice Chancellor for Finance and Administration

DID A BOARD STANDING COMMITTEE RECOMMEND THE ITEM? YES No X

IF "YES", PLEASE INCLUDE THAT INFORMATION IN YOUR SUMMARY.

(*****Board contract approval is subject to negotiation and execution by the Chancellor.)

PLEASE ACQUIRE SIGNATURES IN THIS ORDER:

DOCUMENT PREPARED BY:

Prepared by: Jennifer Benford Seibert Date: December 3, 2009
Jennifer Benford Seibert – District Benefits Coordinator

DOCUMENT PRESENTED AND APPROVED BY:

Presented and approved by: _____ Date: _____
Thomas Smith, Vice Chancellor for Finance and Administration

FINANCE DEPARTMENT REVIEW

Finance review required Finance review *not* required

If Finance review is required, determination is: Approved Not Approved

If not approved, please give reason: _____

Signature: _____ Date: _____
Thomas Smith, Vice Chancellor for Finance and Administration

GENERAL COUNSEL (Legality and Format/adherence to Education Codes):

Legal review required Legal review *not* required

If Legal review is required, determination is: Approved Not Approved

Signature: _____ Date: _____
Thuy T. Nguyen, General Counsel

CHANCELLOR'S OFFICE APPROVAL

Approved, and Place on Agenda Not Approved, but Place on Agenda

Signature: Elihu Harris Date: 12/8/09
Elihu Harris, Chancellor