

SENATE, No. 4019

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED NOVEMBER 8, 2021

Sponsored by:

Senator VIN GOPAL

District 11 (Monmouth)

SYNOPSIS

Requires certain boards of education to select minimum of three financial institutions or pension management organizations to provide tax sheltered annuity plans.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning retirement plan options for school district
2 employees and supplementing chapter 66 of Title 18A of the
3 New Jersey Statutes.

4
5 BE IT ENACTED by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. a. A board of education of a school district with a student
9 enrollment of at least 1,000 students that offers a 403(b) plan to
10 school district employees pursuant to section 403(b) of the federal
11 Internal Revenue Code (26 U.S.C. s. 403(b)) shall select a minimum
12 of three financial institutions or pension management organizations
13 to provide services to the 403(b) plan. If fewer than three such
14 financial institutions or pension management organizations are
15 determined to be available, then the board of education shall select
16 the number of available providers able to meet the requirements of
17 this section.

18 b. A financial institution or pension management organization
19 that provides services to a board of education under subsection a. of
20 this section shall:

21 (1) enter into an agreement with the board of education that
22 shall require the financial institution or pension management
23 organization to provide in an electronic format all data necessary
24 for the administration of the 403(b) plan as determined by the board
25 of education; and

26 (2) provide all data required by the board of education to
27 facilitate disclosure of all fees, charges, expenses, commissions,
28 compensation, and payments to third parties related to investments
29 offered under the 403(b) plan.

30
31 2. This act shall take effect immediately.

32

33

34

STATEMENT

35

36 This bill requires a board of education of a school district with a
37 student enrollment of at least 1,000 students that offers a 403(b)
38 plan to school district employees to select a minimum of three
39 financial institutions or pension management organizations to
40 provide services to the 403(b) plan. If fewer than three such
41 financial institutions or pension management organizations are
42 available, the board of education must select the number of
43 financial institutions or pension management organizations
44 available to meet the requirements of the bill.

45 A financial institution or pension management organization that
46 provides services to the 403(b) plan under the bill must: (1) enter

1 into an agreement with the board of education that requires the
2 financial institution or pension management organization to provide
3 in an electronic format all data necessary for the administration of
4 the 403(b) plan as determined by the board of education; and (2)
5 provide all data required by the board of education to facilitate
6 disclosure of all fees, charges, expenses, commissions,
7 compensation, and payments to third parties related to investments
8 offered under the 403(b) plan.