

28266
ADOPTED - BOARD OF TRUSTEES
COMMUNITY COLLEGE DISTRICT NO. 508
SEPTEMBER 6, 2007

BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
County of Cook and State of Illinois

Calendar Year 2003 Employment Tax Examination
by the Internal Revenue Service
(Amendment to Board Report No.28062 dated June 20, 2007)

THE CHANCELLOR

REPORTS

that on Board Report No. 28062 dated June 7, 2007 the Board of Trustees authorized the Chairman to execute closing documents from the IRS, authorized the application of the Voluntary Correction Plan (VCP) to remedy the findings associated with the 403(B) plan for re-classified workers and authorized the Treasurer and/or the Chief Financial Officer to pay the IRS and other affected parties \$217,156;

that of that amount \$56,744 was to refund re-hired annuitants for the 2003 FICA deductions that the IRS ruled should not have been taken out. In addition, IRS advised that the same refund process should be initiated by the District for succeeding years that the retirees were rehired; and

that the Office of Human Resources, has now obtained the appropriate refund authorization forms from the affected re-hired annuitants and has determined that the amount of refunds for years 2003, 2004, 2005, 2006 and 2007 total \$412,500.00 (including the previous authorized amount of \$56,744); and

that the Office of Human Resources recommends that the total amount of refund owed each re-hired annuitant for all years be paid in one lump sum after which CCC will file the proper refund applications to the IRS for years 2004 through 2007 amounting to \$355,756 for the individuals portion and \$355,756 for the portion that the District contributed; and

THE CHANCELLOR

RECOMMENDS that the Board of Trustees authorize the Treasurer and/or the Chief Financial Officer to pay the affected re-hired annuitants the amount of FICA refunds for years 2003-2007 estimated as a total amount of \$412,500.00 and for Human Resource to prepare the appropriate documentation and to file the necessary refund applications with the IRS.

Financial \$355,756 (additional) - Educational Purposes Fund
00003-0010002-000086-001000-000000-

Respectfully submitted,

Wayne D. Watson
Chancellor

September 6, 2007