

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

826



FROM: Human Resources Dept.

SUBMITTAL DATE:
October 22, 2003

SUBJECT: Internal Revenue Code Section 457 Deferred Compensation retirement plan documents from AIG VALIC and Nationwide Retirement Solutions and amendments to Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) provisions.

RECOMMENDED MOTION: The Board of Supervisors ratify the plan documents to adopt final EGTRRA provisions into the County of Riverside's Section 457 Deferred Compensation retirement plans.

BACKGROUND: Final regulations for EGTRRA were released on July 11, 2003, and changes are retroactive to January 1, 2002. Under EGTRRA, a governmental §457(b) plan may elect plan changes that will enable plan participants to increase their deferred compensation contributions. The County's Plan Documents, administered by AIG Valic and Nationwide, have been amended to adopt the following changes:

- Over five years, increase the maximum annual contribution limit from \$11,000 to \$15,000 and, thereafter, increase the maximum annual contribution in \$500 increments;

Departmental Concurrence

FORM APPROVED
COUNTY COUNSEL

OCT 27 2003

BY

Ronald W. Komers
Asst. CEO/Human Resources Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	NO
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2003-2004

SOURCE OF FUNDS: N/A

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

Policy	<input checked="" type="checkbox"/>
Consent	<input type="checkbox"/>
Dept't Recomm.:	
Per Exec. Ofc.:	

Prev. Agn. Ref.:

District:

Agenda Number:

ALL

**ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD**

3.16

- Increase contributions limits from 33.3% to 100% of a participant's taxable earnings;
- Permit a plan participant to defer up to twice the maximum annual contribution limit in effect for the 3 years proceeding the employee's normal retirement age if maximum contributions have not been made previously. This provision allows a participant to "catch-up" contributions that a participant was eligible to contribute, but was not able to contribute in the past;
- Add a new "catch-up" alternative allowing a participant, who is age 50 or older, over five years to contribute from \$1,000 to \$5,000, and, thereafter, increase the maximum annual contribution in \$500 increments;
- Permit transfers, distributions and payments due to Qualified Domestic Relations Orders (QDRO) that meet the criteria for a QDRO received on or after August 5, 2003;
- Permit plan-to-plan transfers of §457(b) plan assets into another defined benefit plan, such as CalPERS, effective October 2, 2002, to purchase service credits and military service;
- Permit plan-to-plan transfers, effective August 5, 2003, from another governmental §457(b), 403(b) plan, 401(a), profit sharing or stock bonus plans into the County of Riverside's §457(b) plan.

The Plan changes were reviewed by the Deferred Compensation Committee on August 5, 2003, and the Committee recommends approval by your Board. No direct County costs are associated with the outlined changes.

The Nationwide and VALIC 457 Plan Documents are attached in Exhibit A.