

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

527



FROM: Waste Resources Management District

SUBMITTAL DATE:
May 10, 2005


SUBJECT: Resolution No. 2005- 01 Pre-Tax Payroll Deduction Plan for Service Credit Purchase(s)

RECOMMENDED MOTION: Adopt Resolution No. 2005-01 Employer Pickup Resolution Pre-Tax Payroll Deduction Plan for Service Credit Purchases.

BACKGROUND: The ability to offer pre-tax payroll deduction plan for service credit purchases was made available on July 1, 1996. When the District's PERS retirement contract was amended on January 19, 1999 to allow military service credit as public service, the pre-tax payroll deduction benefit was inadvertently omitted. A resolution was drafted and approved in October 1999; however, CalPers never accepted that resolution due to some changes in the wording associated with the Membership Coverage Group denotation. The attached resolution has been written to correct that problem.

The County's PERS contract includes this provision; therefore for consistency, it is requested that this option be added to the District's PERS contract to allow District employees the same level of benefits as are made available to County employees.

Departmental Concurrence


Hans W. Kernkamp, General Manager-Chief Engineer

FINANCIAL DATA	Current F.Y. Total Cost:	\$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	No
	Annual Net County Cost:	\$ N/A	For Fiscal Year:	

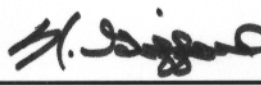
SOURCE OF FUNDS: Not applicable	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

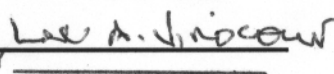
C.E.O. RECOMMENDATION: FORM APPROVED
COUNTY COUNSEL

APPROVE

MAY 11 2005

County Executive Office Signature



BY 

- Policy
- Consent
- Policy
- Consent

Dept's Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: 10/12/99 (10.3) | **District:** ALL | **Agenda Number:**

12.6

COUNTY OF RIVERSIDE
02 MAY 13 PM 3:02
OFFICE EXECUTIVE

RESOLUTION NO. 2005- 01
EMPLOYER PICKUP RESOLUTION
PRE-TAX PAYROLL DEDUCTION PLAN
FOR SERVICE CREDIT PURCHASES
(CONTRIBUTION CODE 14)

WHEREAS, the Board of Administration of the California Public Employees' Retirement System (CalPERS) at the April 1996 meeting approved a pre-tax payroll deduction plan for service credit purchases under Internal Revenue Code (IRC) section 414(h)(2); and

WHEREAS, the Riverside County Waste Resources Management District (Employer) has the authority to implement the provisions of IRC section 414(h)(2) and has determined that even though implementation is not required by law, the tax benefit offered by this section should be provided to those employees who are members of CalPERS; and

WHEREAS, the Riverside County Waste Resources Management District (Employer) elects to participate in the pre-tax payroll deduction plan for all employees in the following CalPERS coverage group(s):

All Miscellaneous Coverage Groups

NOW, THEREFORE, BE IT RESOLVED:

- I. That the Riverside County Waste Resources Management District (Employer) will implement the provisions of IRC section 414(h)(2) by making employee contributions for service credit purchases pursuant to the California State Government Code on behalf of its employees who are members of CalPERS and who have made a binding irrevocable election to participate in the pre-tax payroll deduction plan. "Employee contributions" shall mean those contributions reported to CalPERS which are deducted from the salary of employees and are credited to individual employee accounts for service credit purchases, thereby resulting in tax deferral of employee contributions.
- II. That the contributions made by the Riverside County Waste Resources Management District (Employer) to CalPERS, although designated as employee contributions, are being paid by the Riverside County Waste Resources Management District (Employer) in lieu of contributions by the employees who are members of CalPERS.
- III. That the employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the Riverside County Waste Resources Management District (Employer) to CalPERS.
- IV. That the Riverside County Waste Resources Management District (Employer) shall pay to CalPERS the contributions designated as employee contributions from the same source of funds as used in paying salary, thereby resulting in tax deferral of employee contributions.

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V. That the effective date for commencement of the pre-tax payroll deduction plan cannot be any earlier than July 1, 1996, or the date the completed resolution is received and approved in CalPERS, whichever is later.

VI. That the governing body of the Riverside County Waste Resources Management District (Employer) shall participate in and adhere to requirements and restrictions of the pre-tax payroll deduction plan by reporting pre-tax payroll deductions when authorized by CalPERS for those employees of the above stated Coverage Group who have elected to participate in this plan.

PASSED AND ADOPTED by the governing body of the Riverside County Waste Resources Management District (Employer) this _____ day of May, 2005.

BY _____
(Signature of Official)

(Title of Official)

RETURN ADDRESS:

Riverside County Waste Resources Management District
14310 Frederick Street
Moreno Valley, Ca. 92553

FOR CALPERS USE ONLY	
Pre-tax Payroll Deduction Plan Effective Date:	
Approved by:	Title:
MEMBER SERVICES DIVISION, Service Credit Section – Unit 830	