

**SUBMITTAL TO THE FLOOD CONTROL AND
WATER CONSERVATION DISTRICT BOARD
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

810 B



FROM: General Manager-Chief Engineer

SUBMITTAL DATE:

April 12, 2005

SUBJECT: Pre-Tax Payroll Deduction Plan

RECOMMENDED MOTION: Adopt Resolution No. F2005-06, Employer Pickup Resolution - Pre-Tax Payroll Deduction Plan for Service Credit Purchases, allowing the District to provide the option to elect the pre-tax payroll deduction plan through CalPERS.

BACKGROUND: CalPERS has provided its qualified members the option to elect the pre-tax payroll deduction plan for their service credit purchases, such as Redeposit, Service Prior to Membership, Additional Retirement Service Credit (ARSC) also referred to as "Air Time", etc. By approving the attached Resolution, the District will be allowed to extend the pick-up of member contributions under Internal Revenue Code 414(h)(2) provisions for member payments of service credit purchases. This will allow District employees, who opt to participate, the benefit of deferring income tax liability on member service credit purchases. Continued on Page 2.

FINANCIAL: There is no cost to the District for this benefit.

WARREN D. WILLIAMS
General Manager-Chief Engineer

FINANCIAL DATA	Current F.Y. District Cost:	N/A	In Current Year Budget:	N/A
	Current F.Y. County Cost:	N/A	Budget Adjustment:	N/A
	Annual Net District Cost:	N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS:	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 *Bronda King*

- Dept't Recomm.: Policy
- Per Exec. Ofc.: Policy
- Consent
- Consent

3009 V65 -2 EN P: 15
RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

Prev. Agn. Ref.: **District:** All **Agenda Number:**

11.4

**FLOOD CONTROL AND WATER CONSERVATION DISTRICT BOARD SUBMITTAL
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

SUBJECT: Pre-Tax Payroll Deduction Plan

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Page 2

BACKGROUND:

The District's Board previously approved and adopted the pre-tax payroll deduction plan for service credit purchases on December 2, 1997, Agenda Item No. 9.8. However, CalPERS did not receive the necessary documents to amend the contract as approved.

County Counsel has approved this document as to legal form.

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BOARD OF SUPERVISORS

RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT
Employer Code: 0143

RESOLUTION NO. F2005-06
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 Flood Control and Water Conservation District (District) 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 District 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 District 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 District to CalPERS, although designated as employee contributions, are being paid by the District 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 District to CalPERS.
- IV. That the District 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.
- 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 District 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(s) who have elected to participate in this plan.

1 PASSED AND ADOPTED by the governing body of the Riverside County Flood Control and Water
2 Conservation District this _____ day of _____, _____.

3 FORM APPROVED
4 COUNTY COUNSEL

4 MAR 30 2005
5 BY 
6 ASSISTANT COUNTY COUNSEL

By _____
MARION ASHLEY, Chairman
Board of Supervisors
Riverside County Flood Control
and Water Conservation District

7 **RETURN ADDRESS:**

8 RCFC&WCD
9 1995 Market Street
10 Riverside, CA 92501
11 Employer Code 0143

12 **FOR CALPERS USE ONLY**

13 Pre-tax Payroll Deduction Plan Effective Date: _____

14 Approved By: _____ Title: _____

15 MEMBER SERVICES DIVISION, Service Credit Section - Unit 830