



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

307



FROM: Regional Park & Open-Space District

SUBMITTAL DATE:
4/13/05

SUBJECT: Pre-Tax Payroll Deduction Plan

RECOMMENDED MOTION: Adopt Resolution No. 2005-2, Employer Pickup Resolution – Pre-Tax Payroll Deduction Plan or Service Credit Purchases, allowing the Regional Park & Open-Space 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. The County already took this action on October 7, 1997, M.O. 3.42. This will allow District employees, who opt to participate, the benefit of deferring income tax liability on member service credit purchases. There is no cost to the District for this benefit.

Departmental Concurrence

County Counsel has approved the Resolution as to legal form.

476-Pre-Tax Payroll Deduction Plan

Paul Frandsen
Paul Frandsen, General Manager

FINANCIAL DATA n/a	Current F.Y. Total Cost:	\$	In Current Year Budget: Budget Adjustment: For Fiscal Year:
	Current F.Y. Net County Cost:	\$	
	Annual Net County Cost:	\$	

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

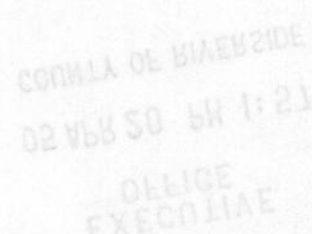
C.E.O. RECOMMENDATION:
APPROVE
[Signature]

County Executive Office Signature

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

Prev. Agn. Ref.: | **District:** all | **Agenda Number:**

13.1



1 Board of Directors

Riverside County
Regional Park & Open-Space District
Employer Code: 1583

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4 **RESOLUTION NO. 2005-2**
5 **EMPLOYER PICKUP RESOLUTION**
6 **PRE-TAX PAYROLL DEDUCTION PLAN**
7 **FOR SERVICE CREDIT PURCHASES**
8 **(CONTRIBUTION CODE 14)**

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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 Regional Park & Open-Space 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 that 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.

- 1 IV. That the District shall pay to CalPERS the contributions designated as
- 2 employee contributions from the same source of funds as used in paying
- 3 salary, thereby resulting in tax deferral of employee contributions.
- 4 V. That the effective date for commencement of the pre-tax payroll deduction
- 5 plan cannot be any earlier than July 1, 1996, or the date the completed
- 6 resolution is received and approved in CalPERS, whichever is later.
- 7 VI. That the governing body of the District shall participate in and adhere to
- 8 requirements and restrictions of the pre-tax payroll deduction plan by
- 9 reporting pre-tax payroll deductions when authorized by CalPERS for those
- 10 employees of the above stated Coverage Group(s) who have elected to
- 11 participate in this plan.

12 Passed and adopted by the governing body of the Riverside County Regional Park &
 13 Open-Space District this _____ day of _____, _____.

14 FORM APPROVED
 15 COUNTY COUNSEL

16 APR 18 2005

17 BY 
 18 ASSISTANT COUNTY COUNSEL

19 By _____
 20 Marion Ashley, Chairman
 21 Board of Directors
 22 Riverside County
 23 Regional Park & Open-Space District

24 Return Address:
 25 Riverside County Regional Park & Open-Space District
 26 4600 Crestmore Road
 27 Riverside, CA 92509 6858
 28 Employer Code 1583

FOR CALPERS USE ONLY

Pre-tax Payroll Deduction Plan Effective Date: _____

Approved By: _____ Title: _____

MEMBER SERVICES DIVISON, Service Credit Section – Unit 830