

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



FROM: Human Resources Department

SUBMITTAL DATE:
December 15, 2009

SUBJECT: Amend and restate the 401(a) Money Purchase and Supplemental Contribution Plans.

RECOMMENDED MOTION: That the Board of Supervisors 1) ratify the amended and restated 401(a) Money Purchase Plan (Attachments A through F) and 401(a) Supplemental Contribution Plan (Attachments G through L) to incorporate final provisions of the Economic Growth and Tax Relief Act of 2001 (EGTRRA); 2) reduce employer contributions in the Money Purchase Plan for employees represented by the Deputy District Attorney Association (DDAA); 3) allow contributions to the Supplemental Contribution Plan for employee settlement agreements; and 4) authorize the Chairperson to sign four (4) copies of Attachments, retain one (1) copy of the signed documents and return three (3) copies to Human Resources for distribution.

BACKGROUND: In July 1998, the Board of Supervisors established the County's 401(a) Money Purchase Plan to provide supplemental retirement benefits to Management, Confidential, and Unrepresented employees; subsequently the Board approved supplemental retirement benefits employees represented by the Law Enforcement Management Unit (LEMU) and DDAA.

(Continued on page 2)

Ronald W. Komers
Asst. County Executive Officer/Human Resources Dir.

**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:	2009/10

SOURCE OF FUNDS: N/A

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

BY: Karen L. Johnson

Dep't Recomm.: ☒ Policy

☐ Consent

Per Exec. Ofc.: ☐ Policy

☐ Consent

Prev. Agn. Ref.:

District:

Agenda Number:

ATTACHMENTS FILED

WITH THE CLERK OF THE BOARD

3.25

BACKGROUND continued:

In November 2007, the Board of Supervisors established the Supplemental Contribution Plan to provide supplemental retirement contributions for employees whose CalPERS retirement benefits are reduced by federal law. Both the 401(a) Money Purchase and Supplemental Contribution Plan operate under VALIC Retirement Services Governmental Volume Submitter. VALIC provides the County with plan document administration services including monitoring legislative and/or IRS regulatory changes and notifying the County of any action required. The County offers employees a choice of two vendors, Nationwide Retirement Solutions or VALIC Retirement Services. Employees have the ability to direct their account investments using a number of investment vehicles.

EGTRRA Regulatory Changes:

The 401(a) Money Purchase Plan and the Supplemental Contribution Plan need to be amended to incorporate the final provisions of EGTRRA. At the time EGTRRA was passed, Plan sponsors were required to adopt an EGTRRA "good faith" amendment to be in compliance. VALIC has now updated its Governmental Volume Submitter Plan, as required by the IRS. The plan documents have been amended to adopt the following EGTRRA changes:

- Modification of the definition of an eligible retirement plan for purposes of rollovers
- Exclusion of hardship distributions and the inclusion of after-tax employee contributions in relation to eligible rollovers
- Employer discretion regarding the acceptance of rollovers from other plans
- Automatic IRA rollover rules for involuntary distributions
- The inclusion of rollovers in determining the threshold for involuntary distributions
- Increase of the compensation limit and the maximum annual IRC 415 limit

Amendment to the 401(a) Money Purchase Plan to reduce DDAA Contributions:

The Board of Supervisors approved the Deputy District Attorneys Association (DDAA) Terms and Conditions of Employment on September 21, 2009 reducing bi-weekly Money Purchase Plan contributions from \$50 to \$25 effective November 10, 2009. The Addendum to the Money Purchase Plan document (Attachment C) has been amended to reflect the reduced bi-weekly 401(a) contributions for all members of DDAA effective November 10, 2009.

Amendment to the 401(a) Supplemental Retirement Contribution to allow Settlement Agreement Contributions:

The Human Resources Department recommends Board of Supervisors ratification and approval of the 401(a) Supplemental Retirement Contribution plan amendment, effective January 1, 2009 to allow contributions to the plan for employees with which the County has reached a settlement agreement as a result of employment action.

There are no new County costs associated with the recommended action. The plan documents have been reviewed and approved by County Counsel and are included as Attachments A through L.