

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

239



FROM: Human Resources Department

SUBMITTAL DATE:
December 6, 2011

SUBJECT: Amend and Restate the County's 457(b) Deferred Compensation Plan, 401(a) Money Purchase Plan, and 401(a) Supplemental Contribution Plan Documents to reflect legislative and regulatory updates and to add an option for the Roth Account to the 457(b) plan.

RECOMMENDED MOTION: That the Board of Supervisors 1) ratify and approve the Amendment and Restatement of the County's 457(b) Deferred Compensation Plan, 401(a) Money Purchase Plan, and 401(a) Supplemental Contribution Plan to incorporate provisions of the Pension Protection Act of 2006, the Heroes Earnings Assistance, and Relief Tax Act of 2008, and to reflect certain provisions of the Worker, Retiree and Employer Recovery Act of 2008, effective January 1, 2011; 2) approve the addition of Roth Account to the County's 457(b) Plan, effective January 1, 2012; 3) authorize the Chairperson to sign four (4) copies of each amendment and resolution; 4) retain one (1) copy of each signed amendment and resolution; and 6) return three (3) copies of each to Human Resources for distribution.

Departmental Concurrence

Barbara A. Olivier

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Asst. County Executive Officer/Human Resources Dir.

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/12

SOURCE OF FUNDS: Plan assets pay all fees	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

BY: *Elizabeth J. Olson*

Elizabeth J. Olson

FORM APPROVED COUNTY COUNSEL

BY: *TANNY V. LIEU* DATE: 12/6/11

- Consent
- Policy
- Consent
- Policy

Dep't Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: 5/19/11; 3.21 **District:** All **Agenda Number:**

3.22

ATTACHMENTS FILED

WITH THE CLERK OF THE BOARD

BACKGROUND (continued):

Internal Revenue Service (IRS) and Department of Labor (DOL) regulations require plans such as the County’s 457(b) Deferred Compensation Plan, 401(a) Money Purchase Plan and 401(a) Supplemental Contribution Plan to be amended periodically to reflect legislative and regulatory changes and updates.

VALIC recently provided appropriate documents that if adopted by December 31, 2011 will comply with the provisions of the Pension Protection Act (“PPA”) of 2006, the Heroes Earnings Assistance and Relief Tax Act of 2008 (the “Heart Act”), the Worker, Retiree and Employer Recovery Act of 2009 (“WRERA”), and the Small Business Jobs Act of 2010 (the “Jobs Act”).

Roth Account Contributions

The Small Business Jobs Act of 2010 permits governmental 457(b) plans to adopt provisions to establish a Roth account. The addition of a Roth account option within the County’s 457(b) plan would allow participants to make after-tax contributions in lieu of or in addition to pre-tax elective deferral contributions. The benefit of electing a Roth after-tax deferral ensures that participants who participate in the plan for a minimum of five (5) years will not be taxed on their interest accumulation when they retire or withdraw their funds from the plan. If approved, the Roth account will be available to all employees, effective January 1, 2012, at no additional cost to the County.

The 457(b) and 401(a) amendments primarily address the following plan provisions:

1. Hardship distributions for beneficiary expenses
2. In-service distributions at age 62
3. Qualified Reservist distributions
4. Continued benefit accruals for the HEART Act
5. Treatment of Differential Pay
6. Distribution of deemed severance employment
7. Required Minimum Distributions (RMD)
8. Roth account option (for 457(b) plan only)

Exhibit 1 summarizes plan specific amendments and the recommended action. The Plan Amendments are detailed in the following attachments:

1. Attachment A – Amendment to the County’s 401(a) Money Purchase Plan (Group# 53677 – Plan #02)
2. Attachment B- Amendment to the County’s Supplemental Contribution Plan (Group# 53677- Plan#04)
3. Attachment C - Amendment and Restatement of the County’s 457(b) Deferred Compensation Plan (Group# 53677-Plan# 01)

There is no direct cost to the County for any of these recommended actions.