

[Tax-deferred transfer of accrued vacation, sick leave and other compensation to employees]

CHARTER AMENDMENT

PROPOSITION ____

Describing and setting forth a proposal to the qualified voters of the City and County of San Francisco to amend the Charter of the City and County of San Francisco by adding Section A8.599 to authorize the City and County to establish plans for the tax-deferred treatment of accrued compensation payable to employees.

The Board of Supervisors hereby submits to the qualified voters of the City and County, at an election to be held on March 2, 2004, a proposal to amend the Charter of the City and County by adding Section A8.599 to read as follows:

Note: Additions are *single-underline italics Times New Roman*.
Deletions are ~~*strikethrough italics Times New Roman*~~.

A8.599 TAX-DEFERRED PLANS FOR ACCUMULATED COMPENSATION

The board of supervisors is empowered to enact, by a vote of three-fourths of its members, such ordinances as it deems necessary to establish a plan or plans, consistent with federal and state requirements, to provide for the deferred taxation of accumulated vacation, sick leave or other compensation earned by and payable to employees on account of and after their separation from City and County employment. The City and County of San Francisco does not and cannot represent or guarantee that any particular federal or state income, payroll or other tax consequence will occur by reason of an employee's participation in these plans nor whether there will be gains or losses on moneys paid into these plans. The Retirement Board shall administer any such plans. The Retirement Board may contract with a financially responsible independent contractor to serve as the third party administrator of any such plans. The Retirement Board shall manage such plans in compliance with federal and state tax laws and ensure that plan benefits do not conflict with or reduce benefits under the Retirement

System. The reasonable and necessary administrative costs of this plan shall not be borne by the City and County but by the participants and by any third party plan administrator appointed hereunder.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
DAN MAGUIRE
Deputy City Attorney