

1 [Employer Pickup - Pre-Tax Payroll Deduction Plan for Service Credit Purchases (Contribution  
2 Code 14)]

3 **Resolution authorizing the City and County of San Francisco to implement pre-tax**  
4 **payroll deduction plan for all employees in CalPERS, pursuant to the Internal Revenue**  
5 **Code §414(h)(2).**  
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7 WHEREAS, The Board of Administration of the California Public Employees'  
8 Retirement System (CalPERS) at the April 1996 meeting approved a pre-tax payroll deduction  
9 plan for service credit purchases under Internal Revenue Code (IRC) §414(h)(2); and  
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11 WHEREAS, The City and County of San Francisco has the authority to implement the  
12 provisions of IRC §414(h)(2) and has determined that even though implementation is not  
13 required by law, the tax benefit offered by this section should be provided to those employees  
14 who are members of CalPERS; and,

15 WHEREAS, The City and County of San Francisco has elected to participate in the  
16 pre-tax payroll deduction plan for all employees in the CalPERS Coverage Groups; now,  
17 therefore be it

18 RESOLVED, That the City and County of San Francisco has implement the provisions  
19 of IRC §414(h)(2) by making employee contributions for service credit purchases pursuant to  
20 the California State Government Code on behalf of its employees who are members of  
21 CalPERS and who have made a binding irrevocable election to participate in the pre-tax  
22 payroll deduction plan. "Employee contributions" shall mean those contributions reported to  
23 CalPERS which are deducted from the salary of employees and are credited to individual  
24 employee accounts for service credit purchases, thereby resulting in tax deferral of employee  
25 contributions; and, be it

1           FURTHER RESOLVED, That the contributions made by the City and County of San  
2           Francisco to CalPERS, although designated as employee contributions, are being paid by the  
3           City and County of San Francisco in lieu of contributions by the employees who are members  
4           of CalPERS; and, be it

5           FURTHER RESOLVED, That the employees shall not have the option of choosing to  
6           receive the contributed amounts directly instead of having them paid by the City and County  
7           of San Francisco to CalPERS; and, be it

8           FURTHER RESOLVED, That the City and County of San Francisco shall pay to  
9           CalPERS the contributions designated as employee contributions from the same source of  
10          funds as used in paying salary, thereby resulting in tax deferral of employee contributions;  
11          and, be it

12          FURTHER RESOLVED, That the governing body of the City and County of San  
13          Francisco shall participate in and adhere to requirements and restrictions of the pre-tax payroll  
14          deduction plan by reporting pre-tax payroll deductions when authorized by CalPERS for those  
15          employees of the CalPERS Coverage Groups who have elected to participate in this plan.

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