

FILE NO.

RESOLUTION NO.

1 [Employer Pickup Resolution Pre-Tax Payroll Deduction Plan for Service Credit Purchases
2 (Contribution 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).**
6

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

10 WHEREAS, The City and County of San Francisco has the authority to implement the
11 provisions of IRC §414(h)(2) and has determined that even though implementation is not
12 required by law, the tax benefit offered by this section should be provided to those employees
13 who are members of CalPERS; and,

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

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

Supervisor Elsbernd

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 effective date for commencement of the pre-tax
13 payroll deduction plan cannot be any earlier than the date the completed resolution is
14 received and approved by CalPERS: and, be it

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

19
20
21
22
23
24
25