

1 [Establishing and administering a Supplemental Tax Deferred Plan.]

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3 **Ordinance adding Sections 16.62 through 16.62-3 to the San Francisco Administrative Code To**
4 **Require that Certain Lump Sum Payments be Transferred to a Tax Deferred Plan.**

5 Note: Additions are *single-underline italics Times New Roman*;
6 deletions are ~~*strikethrough italics Times New Roman*~~.
7 Board amendment additions are double underlined.
8 Board amendment deletions are ~~strikethrough normal~~.

8 Be it ordained by the People of the City and County of San Francisco:

9 Section 1. The San Francisco Administrative Code is hereby amended by adding Sections
10 16.62 through 16.62-3, to read as follows:

11 **SEC. 16.62 . ESTABLISHMENT OF A SUPPLEMENTAL TAX DEFERRED PLAN.**

12 The Retirement Board shall establish and administer a Supplemental Tax Deferred Plan ("401(a) Plan" or "Plan").

13 **SEC. 16.62-1. PURPOSE.**

14 The purpose of this Plan is to offer employees of the City and County of San Francisco, the San Francisco Unified
15 School District, the San Francisco Community College District and the Superior Court of California, County of San
16 Francisco, a Supplemental Tax Deferred Plan to provide for the deferred taxation of accumulated vacation, sick leave or
17 other compensation defined in the Adoption Agreement which is earned by and payable to such employees on account of
18 and after their separation from employment. The City and County of San Francisco does not and cannot represent or
19 guarantee that any particular federal or state income, payroll or other tax consequence will occur by reason of
20 participation in this Plan nor whether there will be gains or losses on moneys paid into this Plan.

21 **SEC. 16.62-2 ADMINISTRATION BY RETIREMENT BOARD.**

22 The Retirement Board shall have the exclusive authority to adopt such rules and regulations, and to prescribe such
23 forms, as it deems necessary to carry out the purposes of the Plan. The Retirement Board shall manage the Plan in
24 compliance with federal and state tax laws so that Plan benefits do not conflict with or reduce benefits under the Retirement
25 System. The Retirement Board may employ consultants to advise the Board concerning the administration and investment
of such funds as may be established.

The Retirement Board may contract with a financially responsible independent contractor to administer and
coordinate the Plan under the direction of the Retirement Board. The Retirement Board may, in its discretion, establish
guidelines or regulations for the bonding of any such contractor or any other person who handles funds or other assets of

1 the Plan. Any such contractor shall agree to be responsible to the City and County of San Francisco for any and all
2 services performed by a subcontractor, assignee or designee of contractor.

3 **SEC. 16.62-3. ADMINISTRATIVE COSTS.**

4 The reasonable and necessary administrative costs of this Plan shall be borne by participants or by any contractor
5 appointed hereunder.

6 APPROVED AS TO FORM:

7 DENNIS J. HERRERA, City Attorney

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9 By: _____
10 DAN MAGUIRE
11 Deputy City Attorney