

DEPARTMENT: Auditor BY: Ken Hawkins PHONE: 966-7606  
RECOMMENDED ACTION AND JUSTIFICATION: (Policy Item: Yes \_\_\_ No XX)

Recommend adoption of resolution to allow employees the option of a pre-tax deduction in cases where the employee is buying back service credit for PERS retirement. This option costs the County nothing but allows the employee the benefit of deferring income tax liability on member service credit buy-back.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

The County already allows regular PERS to be tax deferred.

LIST ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

Negative action would deprive employees of a benefit which costs the County nothing.

<p>COSTS: ( ) Not Applicable</p> <p>A. Budgeted current FY \$ _____</p> <p>E. Total anticipated costs \$ _____</p> <p>C. Required additional funding \$ _____</p> <p>D. Internal transfers \$ _____</p> <p>SOURCE: ( ) 4/5ths Vote Required</p> <p>A. Unanticipated revenues \$ _____</p> <p>B. Reserve for contingencies \$ _____</p> <p>C. Source description: _____</p> <p>Balance in Reserve for Contingencies, if approved: \$ _____</p>	<p>SPECIAL INSTRUCTIONS:</p> <p>List the attachments and number the pages consecutively:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
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CLERK'S USE ONLY:

Res. No.: 96-292 Ord. No. \_\_\_\_\_

Vote - Ayes: 4 Noes: \_\_\_\_\_

Absent: \_\_\_\_\_ Abstained: \_\_\_\_\_

Approved \_\_\_\_\_ Denied \_\_\_\_\_

( ) Minute Order Attached ( ) No Action Necessary

*NOT VOTING: Parker*

The foregoing instrument is a correct copy of the original on file in this office.  
Date: \_\_\_\_\_  
ATTEST: MARGIE WILLIAMS, Clerk of the Board  
County of Mariposa, State of California  
By: \_\_\_\_\_  
Deputy

ADMINISTRATIVE OFFICER'S RECOMMENDATION:

This item on agenda as:

Recommended

Not Recommended

For Policy Determination

Submitted with Comment

Returned for Further Action

Comment: \_\_\_\_\_  
A.O. Initials: AW

Employer Code: 0453

**EMPLOYER PICKUP RESOLUTION  
PRE-TAX PAYROLL DEDUCTION PLAN  
FOR SERVICE CREDIT PURCHASES  
(CONTRIBUTION CODE 14)**

WHEREAS, the Board of Administration of the California Public Employees' Retirement System (CalPERS) at the April 1996 meeting approved a pre-tax payroll deduction plan for service credit purchases under Internal Revenue Code (IRC) section 414(h)(2); and

WHEREAS, the County of Mariposa {Employer} has the authority to implement the provisions of IRC section 414(h)(2) and has determined that even though implementation is not required by law, the tax benefit offered by this section should be provided to those employees who are members of CalPERS; and

WHEREAS, the County of Mariposa {Employer} elects to participate in the pre-tax payroll deduction plan for all employees in the following CalPERS coverage group(s):

{Membership Coverage Group(s)}

- Miscellaneous
- Safety
- \_\_\_\_\_
- \_\_\_\_\_

NOW, THEREFORE, BE IT RESOLVED:

- I. That the County of Mariposa {Employer} will implement the provisions of IRC section 414(h)(2) by making employee contributions for service credit purchases pursuant to the California State Government Code on behalf of its employees who are members of CalPERS and who have made a binding irrevocable election to participate in the pre-tax payroll deduction plan. "Employee contributions" shall mean those contributions reported to CalPERS which are deducted from the salary of employees and are credited to individual employee accounts for service credit purchases thereby resulting in tax deferral of employee contributions.
- II. That the contributions made by the County of Mariposa {Employer} to CalPERS, although designated as employee contributions, are being paid by the County of Mariposa {Employer} in lieu of contributions by the employees who are members of CalPERS.
- III. That the employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the County of Mariposa {Employer} to CalPERS.

- IV. That the County of Mariposa {Employer} shall pay to CalPERS the contributions designated as employee contributions from the same source of funds as used in paying salary, thereby resulting in tax deferral of employee contributions.
- V. That the effective date for commencement of the pre-tax payroll deduction plan cannot be any earlier than July 1, 1996, or the date the completed resolution is received and approved in CalPERS, whichever is later.
- VI. That the governing body of the County of Mariposa {Employer} shall participate in and adhere to requirements and restrictions of the pre-tax payroll deduction plan by reporting pre-tax payroll deductions when authorized by CalPERS for those employees of the above stated Coverage Group(s) who have elected to participate in this plan.

BY Doug Balmain  
 (Name of Official)

CHAIRMAN, Mariposa County  
 Board of Supervisors  
 BY \_\_\_\_\_  
 (Title of Official)

6-25-96  
 (Date adopted and approved)

**RETURN ADDRESS:**

County of Mariposa  
Auditor's Office  
PO Box 729  
 Mariposa, CA 95338

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<b>FOR CALPERS USE ONLY</b>
Pre-tax Payroll Deduction Plan Effective Date: _____  Approved By: _____ Title: _____  MEMBER SERVICES DIVISION, Service Credit Section - Unit 830