

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

3
4 **Resolution allowing additional payroll deductions from salary to be pre-tax in**
5 **accordance with CalPERS retirement plan requirements.**

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

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

13 WHEREAS, The City and County of San Francisco elects to participate in the pre-tax
14 payroll deduction plan for all employees in the following CalPERS coverage group(s):

15 All City and County of San Francisco employees who are members of CalPERS

16 NOW, THEREFORE, BE IT RESOLVED:

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

- 1 II. That the contributions made by the City and County of San Francisco to
2 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
4 are members of CalPERS.
- 5 III. That the employees shall not have the option of choosing to receive the
6 contributed amounts directly instead of having them paid by the City and County
7 of San Francisco to CalPERS.
- 8 IV. That the City and County of San Francisco shall pay to CalPERS the
9 contributions designated as employee contributions from the same source of
10 funds as used in paying salary, thereby resulting in tax deferral of employee
11 contributions.
- 12 V. That the effective date of commencement of the pre-tax payroll deduction plan
13 cannot be earlier than July 1, 1996, or the date the completed resolution is
14 received and approved in CalPERS, whichever is later.
- 15 VI. That the governing body of the City and County of San Francisco shall
16 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
18 CalPERS for those employees of the above stated coverage group(s) who have
19 elected to participate in this plan.

20
21 RECOMMENDED:

22
23 

24 _____
25 ANDREA GOURDINE
Human Resources Director



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails
Resolution

File Number: 010402

Date Passed:

Resolution allowing additional payroll deductions from salary to be pre-tax in accordance with CalPERS retirement plan requirements.

April 2, 2001 Board of Supervisors — ADOPTED

Ayes: 10 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick,
Newsom, Peskin, Sandoval
Absent: 1 - Yee

File No. 010402

I hereby certify that the foregoing Resolution was ADOPTED on April 2, 2001 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

APR 13 2001

Date Approved

Mayor Willie L. Brown Jr.