

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA TO ESTABLISH A PRE-TAX PAYROLL DEDUCTION PLAN FOR SERVICE CREDIT PURCHASES UNDER THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

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);

WHEREAS, the City of Santa Barbara has the authority to implement the provisions of the 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 City of Santa Barbara elects to participate in the pre-tax payroll deduction plan for all employees in the following CalPERS employee groups or classifications:

All Miscellaneous and Safety Employee Groups

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

SECTION 1. The City of Santa Barbara 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.

SECTION 2. The contributions made by the City of Santa Barbara to CalPERS, although designated as employee contributions, are being paid by the City of Santa Barbara in lieu of contributions by the employees who are members of CalPERS.

SECTION 3. The employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the City of Santa Barbara to CalPERS.

SECTION 4. The City of Santa Barbara 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.

SECTION 5. The effective date for commencement of the pre-tax payroll deduction plan cannot be any earlier than the date the completed resolution is received and approved by CalPERS.

SECTION 6. The governing body of the City of Santa Barbara 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 employee groups or classifications who have elected to participate in this plan.

PASSED AND ADOPTED by the governing body of the City of Santa Barbara  
this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

BY \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)