

MEETING DATE: 03/10/08

AGENDA ITEM: Consideration of a Resolution Adopting an Employer Pickup Resolution Pre-Tax Payroll Deduction Plan for Service Credit Purchases (Contribution Code 14)

ATTACHMENTS

	<u>Pages</u>
1. Resolution 2002-R050	1 – 3
2. Proposed Resolution 2008-R_____	4 – 6

RESOLUTION NO 2002-R 050

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CULVER CITY, CALIFORNIA, INTENDING TO APPROVE A
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 City of Culver City 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 City of Culver City elects to participate in the pre-tax
payroll deduction plan for all employees in the following CalPERS coverage
group(s)

{Membership Coverage Group(s)}

- 1) Social Security Exclusion Only Miscellaneous 70001
- 2) Miscellaneous 70002
- 3) Fire 74001
- 4) Police 75001

NOW THEREFORE, the City Council of the City of Culver City,
California DOES HEREBY RESOLVE as follows

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I That the City of Culver City 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 City of Culver City to CalPERS, although designated as employee contributions are being paid by the City of Culver City 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 City of Culver City to CalPERS

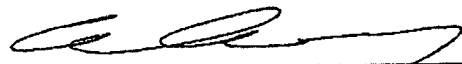
IV That the City of Culver City shall pay to CalPERS the contributions designated as employee contributions from the same source of funds as used in paying salary, thereby resulting in tax deferral of employee contributions

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

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1 VI That the governing body of the City of Culver City shall
2 participate in and adhere to requirements and restrictions of the pre-tax payroll
3 deduction plan by reporting pre-tax payroll deductions when authorized by CalPERS
4 for those employees of the above stated Coverage Group(s) who have elected to
5 participate in this plan

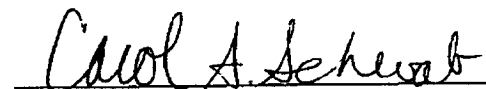
6 APPROVED and ADOPTED this 25th day of March 2002

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10 
11 EDWARD M WOLKOWITZ
12 Mayor
13 City of Culver City, California

14 ATTEST

15 APPROVED AS TO FORM

16 
17 TOM CRUNK
18 City Clerk by Ela Valladares
19 Deputy City Clerk

20 
21 CAROL A SCHWAB
22 City Attorney

23 CAS mc
24 ResoPERS Pretax

1 **RESOLUTION NO. 2008-R**

2 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
3 CULVER CITY, CALIFORNIA, ADOPTING AN EMPLOYER
4 PICKUP PRE-TAX PAYROLL DEDUCTION PLAN FOR
5 SERVICE CREDIT PURCHASES (CONTRIBUTION CODE
6 14).

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
9 deduction plan for service credit purchases under Internal Revenue Code (IRC) Section
10 414(h)(2) (the "Plan"); and

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

15 WHEREAS, the City of Culver City elects to participate in the Plan for all
16 employees in the following CalPERS coverage group(s):

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18 1) All Miscellaneous Coverage Groups; and
19 2) All Safety Coverage Groups

20 NOW, THEREFORE, the City Council of the City of Culver City, California,
21 DOES HEREBY RESOLVE as follows:

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23 1. That the City of Culver City will implement the provisions of IRC
24 Section 414(h)(2) by making employee contributions for service credit purchases pursuant
25 to the California State Government Code on behalf of its employees who are members of
26 CalPERS and who have made a binding irrevocable election to participate in the Plan.
27 "Employee contributions" shall mean those contributions reported to CalPERS which are
28

1 deducted from the salary of employees and are credited to individual employee accounts
2 for service credit purchases, thereby resulting in tax deferral of employee contributions.

3 2. That the contributions made by the City of Culver City to CalPERS,
4 although designated as employee contributions, are being paid by the City of Culver City in
5 lieu of contributions by the employees who are members of CalPERS.

6 3. That the employees shall not have the option of choosing to receive
7 the contributed amounts directly instead of having them paid by the City of Culver City to
8 CalPERS.

9 4. That the City of Culver City shall pay to CalPERS the contributions
10 designated as employee contributions from the same source of funds as used in paying
11 salary, thereby resulting in tax deferral of employee contributions.

12 5. That the effective date for commencement of the Plan cannot be any
13 earlier than July 1, 1996, or the date this Resolution is received and approved by
14 CalPERS, whichever is later.

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1 6. That the City Council of the City of Culver City shall participate in and
2 adhere to requirements and restrictions of the Plan by reporting pre-tax payroll deductions
3 when authorized by CalPERS for those employees in the above stated Coverage Group(s)
4 who have elected to participate in the Plan.

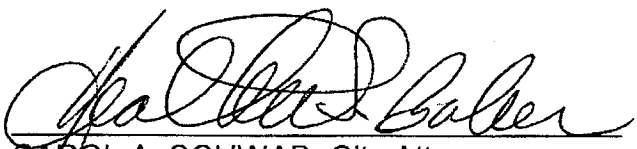
5 APPROVED and ADOPTED this _____ day of _____ 2008.
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9 _____
10 ALAN CORLIN, MAYOR
City of Culver City, California

11 ATTEST:

APPROVED AS TO FORM:

12
13
14 _____
CHRISTOPHER ARMENTA, City Clerk
A08-00066

15 
CAROL A. SCHWAB, City Attorney
for