

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 03/10/08		Item Number: <u>C-4</u>	
AGENDA ITEM: Adoption of a Resolution Adopting an Employer Pickup Pre-Tax Payroll Deduction Plan for Service Credit Purchases (Contribution Code 14)			
Contact Person/Dept.: Serena Wright		Phone Number: 310-253-5640	
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☐	Attachments: ☒
Public Notification: Master Notification List and Crystal Alexander, City Treasurer, on 03/05/08			
Department Approval: Serena Wright (02/22/08)		City Attorney Approval: Carol Schwab (by H. Baker) (03/04/08)	
Fiscal Impact Review: Jeff Muir (03/04/08)		City Manager Approval: Jerry B. Fulwood (03/05/08)	

RECOMMENDATION

Staff recommends the City Council adopt a Resolution adopting the Employer Pickup Pre-Tax Payroll Deduction Plan for Service Credit Purchases (Contribution Code 14), and rescinding Resolution No. 2002-R050.

DISCUSSION

On March 25, 2002, the City Council adopted Resolution No. 2002-R050 (Attachment No. 1), required by the California Public Employees' System (PERS) to allow employees the payment option to purchase PERS service credit, such as prior military time, on a pre-tax basis. There is no cost to the City to allow employees this payment option. Resolution No. 2002-R050, specifically identifies eligible membership coverage groups by number:

- 70001 Miscellaneous
- 70002 Miscellaneous
- 74001 Fire
- 75001 Police

On February 5, 2008, PERS contacted staff requesting that the City adopt a new, similar resolution (Attachment No. 2), which eliminates specific numeric references to membership coverage groups, and replaces it with the following broader language:

- All Miscellaneous Coverage Groups; and
- All Safety Coverage Groups

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As with the prior Resolution, there is no cost to the City to allow employees this pre-tax payment option. The broader language will eliminate the necessity for public agencies to adopt a new resolution each/every time they amend their PERS contract to add additional coverage groups, thus saving both time and money associated with adoption of a resolution. Should the City adopt a new coverage group in the future, the pre-tax payment option to purchase service credit will automatically apply to the new group.

PERS is contacting every public agency that contracts for pre-tax service credit purchases to request that they adopt the new resolution containing the broader language.

FISCAL ANALYSIS

Fiscal impacts, resulting from indirect labor costs associated with administering this benefit, are minimal. The benefit is already available and being administered, and is part of the current budget.

ATTACHMENTS

1. Resolution No. 2002-R050
2. Proposed Resolution

MOTION

That the City Council:

Adopt a Resolution adopting an Employer Pickup Pre-Tax Payroll Deduction Plan for Service Credit Purchases (Contribution Code 14).