DRAFT RESOLUTION

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, EMPLOYER PICKUP RESOLUTION PRE-TAX PAYROLL DEDUCTION PLAN FOR SERVICE CREDIT PURCHASES (CONTRIBUTION CODE 14)

WHEREAS, the Board of Administration of the California Public Employee’s 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 Atascadero 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 member of CalPERS; and

WHEREAS, the City of Atascadero elects to participate in the pre-tax payroll deduction plan for all employees in the following CalPERS employee groups or classifications:

Safety and Miscellaneous

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Atascadero

SECTION 1. That the City of Atascadero 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. That the contributions made by the City of Atascadero to CalPERS, although designated as employee contributions, are being paid by the City of Atascadero in lieu of contributions by the employees who are members of CalPERS.

SECTION 3. 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 Atascadero to CalPERS.

SECTION 4. That the City of Atascadero 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. That 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. That the governing body of the City of Atascadero 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.

On motion by Council Member _______________________ and seconded by Council Member ________________________, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:

NOES:

ABSENT:

ADOPTED:

CITY OF ATASCADERO

By:

Dr. George Luna, Mayor

ATTEST:

Marcia McClure Torgerson, C.M.C.,
City Clerk

APPROVED AS TO FORM:

Patrick L. Enright, City Attorney