

RESOLUTION NO. 6939
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDLANDS

EMPLOYER PICKUP RESOLUTION
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 Redlands 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 Redlands elects to participate in the pre-tax payroll deduction plan for all employees in the 70002 Miscellaneous Employees with Social Security MOD CalPERS Coverage Group;

NOW, THEREFORE, BE IT RESOLVED. By the City Council of the City of Redlands as follows:

- I. That the City of Redlands 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 Redlands to CalPERS, although designated as employee contributions, are being paid by the City of Redlands 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 Redlands to CalPERS.
- IV. That the City of Redlands 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 the date this completed resolution is received and approved by CalPERS.

VI. That the City Council of the City of Redlands 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 Coverage Group who have elected to participate in this plan.

ADOPTED, SIGNED AND APPROVED this 18th day of May, 2010.



Mayor of the City of Redlands

ATTEST:



City Clerk of the City Redlands

I, Sam Irwin, City Clerk of the City of Redlands, hereby certify that the foregoing Resolution No. 6939 was duly adopted by the City Council at a regular meeting thereof, held on the 18th day of May 2010, by the following vote:

AYES: Councilmembers Bean, Harrison, Gallagher, Aguilar; Mayor Gilbreath
NOES: None
ABSENT: None
ABSTAIN: None



Sam Irwin, City Clerk
Redlands, California