

**Return to CalPERS - Unit 830**

Employer code: \_\_\_\_\_

**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 COSTA MESA 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 COSTA MESA elects to participate in the pre-tax payroll deduction plan for all employees in the following CalPERS coverage group(s):

- Safety Fire Plan of the City of Costa Mesa
- Safety Police Plan of the City of Costa Mesa
- Miscellaneous Plan of the City of Costa Mesa

NOW, THEREFORE, BE IT RESOLVED:

- I. That the CITY OF COSTA MESA 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 COSTA MESA to CalPERS, although designated as employee contributions, are being paid by the CITY OF COSTA MESA 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 COSTA MESA to CalPERS.
- IV. That the CITY OF COSTA MESA 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.

ATTACHMENT I

- 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.
- VI. That the governing body of the CITY OF COSTA MESA 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(s) who have elected to participate in this plan.

PASSED AND ADOPTED by the governing body of the CITY OF COSTA MESA this \_\_\_\_\_ day of March 2007.

BY \_\_\_\_\_  
(Signature of Official)

RETURN ADDRESS: Mayor of the CITY OF COSTA MESA

City of Costa Mesa  
Attention City Clerk  
77 Fair Drive  
Costa Mesa CA 92626

\*\*\*\*\*

<b>FOR CALPERS USE ONLY</b>	
<b>Pre-tax Payroll Deduction Plan Effective Date:</b>	
<b>Approved by:</b>	<b>Title:</b>
<b>MEMBER SERVICES DIVISION, Service Credit Section – Unit 830</b>	