

**RESOLUTION NO. 2006-\_\_\_\_\_**  
**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 the Internal revenue Code (IRC) section 414(h)(2); and

WHEREAS, the San Benito County Water District 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 San Benito County Water District elects to participate in the pre-tax payroll deduction plan for all employees in the following CalPERS coverage group:

Membership Coverage Group: 70001 Miscellaneous Without Social Security Full

NOW, THEREFORE, BE IT RESOLVED:

- I. That the San Benito County Water District 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 San Benito County Water District to CalPERS, although designated as employee contributions, are being paid by the San Benito County Water District 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 San Benito County Water District to CalPERS.

- IV. That the San Benito County Water District 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.
- VI. That the governing body of the San Benito County Water District shall participate in and adhere to requirements and restrictions of the pre-tax payroll deduction plan by reporting pre-tax payroll deduction when authorized by CalPERS for those employees of the above stated Coverage Group who have elected to participate in this plan.

PASSED AND ADOPTED by the governing body of the San Benito County Water District on this the \_\_\_\_ of January, 2006, by the following vote:

AYES: DIRECTORS:  
NOES: DIRECTORS:  
ABSENT: DIRECTORS:

\_\_\_\_\_  
John Tobias, President  
Board of Directors

ATTEST:

\_\_\_\_\_  
Maria E. Alfaro  
Administrative Services Officer

RETURN ADDRESS:  
San Benito County Water District  
P.O. Box 899  
Hollister, CA 95024-0899

<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>	