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OFFICE OF THE CITY CLERK
OAKLAND

CITY OF OAKLAND
AGENDA REPORT

2009 MAR -5 PM 6:32

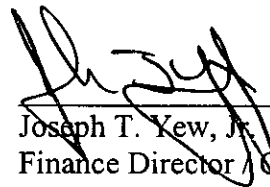
TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Finance and Management Agency
DATE: March 17, 2009

RE: **Resolution Amending Resolution No. 81776 C.M.S. Entitled Employer Pickup
Resolution Pre-Tax Payroll Deduction Plan for Service Credit Purchases
(Contribution Code 14) To Include Certain Terminology That The California
Employees' Retirement System (CalPERS) Requires**

The attached Resolution is being submitted to amend the original Resolution No. 81776 C.M.S. and make terminology modifications required by the California Employees' Retirement System (CalPERS).

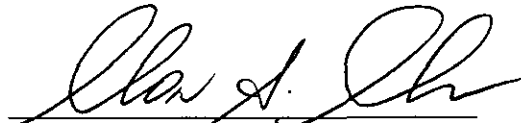
Attached is an underline / ~~strike-out~~ copy of CalPERS' required resolution modifications.

Respectfully submitted,



Joseph T. Yew, Jr.
Finance Director / City Treasurer

APPROVED AND FORWARDED
TO THE CITY COUNCIL:



Office of the City Administrator

Item: _____
ORA / City Council
March 17, 2009

City Attorney

FILED
OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL

2009 MAR -5 PM 6:33 RESOLUTION NO. _____ C.M.S.

Introduced by Councilmember _____

**RESOLUTION AMENDING RESOLUTION NO. 81776 ENTITLED
EMPLOYER PICKUP RESOLUTION
PRE-TAX PAYROLL DEDUCTION PLAN
FOR SERVICE CREDIT PURCHASES
(CONTRIBUTION CODE 14)
TO INCLUDE CERTAIN TERMINOLOGY THAT THE CALIFORNIA EMPLOYEES'
RETIREMENT SYSTEM (CalPERS) REQUIRES**

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

- All Miscellaneous
- All Safety

NOW, THEREFORE, BE IT RESOLVED:

- I. That the City of Oakland 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 Oakland to CalPERS, although designated as employee contributions, are being paid by the City of Oakland in lieu of contributions by the employees who are members of CalPERS.
- III. That employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the City of Oakland to CalPERS.

- IV. That the City of Oakland 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 the completed resolution is received and approved by CalPERS.
- VI. That the governing body of the City of Oakland shall participate in and adhere to requirements and restrictions of the pre-tax payroll deduction plan by reporting pre-tax deductions when authorized by CalPERS for those employees of the above stated coverage groups who have elected to participate in this plan.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

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OAKLAND

OAKLAND CITY COUNCIL

City Attorney

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RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AMENDING RESOLUTION NO. 81776 ENTITLED
EMPLOYER PICKUP RESOLUTION
PRE-TAX PAYROLL DEDUCTION PLAN
FOR SERVICE CREDIT PURCHASES
(CONTRIBUTION CODE 14)

TO INCLUDE CERTAIN TERMINOLOGY THAT THE CALIFORNIA EMPLOYEES'
RETIREMENT SYSTEM (CalPERS) REQUIRES

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

All Miscellaneous

All Fire Safety

~~Police~~ Safety

NOW, THEREFORE, BE IT RESOLVED:

- I. That the City of Oakland 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 ~~or~~ of employee contributions.
- II. That the contributions made by the City of Oakland to CalPERS, although designated as employee contributions, are being paid by the City of Oakland in lieu of contributions by the employees who are members of CalPERS.
- III. That employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the City of Oakland to CalPERS.

- IV. That the City of Oakland 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 the completed resolution is received and approved by CalPERS.
- VI. That the governing body of the City of Oakland shall participate in and adhere to requirements and restrictions of the pre-tax payroll deduction plan by reporting pre-tax deductions when authorized by CalPERS for those employees of the above stated ~~employee coverage groups or classifications~~ who have elected to participate in this plan.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California