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# OAKLAND CITY COUNCIL

*David J. Parker*  
City Attorney  
**REVISED**

2004 FEB 26 PM 6:25

RESOLUTION No. 78402 C.M.S.

**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 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 coverage group(s):

- Miscellaneous 70001
- Fire Safety 74001
- Police Safety 75001

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 the 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. Employees choosing to participate in the pre-tax payroll deduction for service credit purchase program are responsible for all costs associated with this program.
- 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 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 Oakland 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.

IN COUNCIL, OAKLAND, CALIFORNIA, MAR 16 2004, 20    


**PASSED BY THE FOLLOWING VOTE:**

AYES- ~~BROOKS~~, BRUNNER, CHANG, NADEL, QUAN, REID, WAN and PRESIDENT DE LA FUENTE - 7

NOES- 0

ABSENT- Brooks - 1

ABSTENTION- 0

ATTEST   
 CEDA FLOYD  
 City Clerk and Clerk of the Council  
 of the City of Oakland, California