

Rescinded 12/5/2013
by Resolution 2013-1993

RESOLUTION NO. 2013-1989

**A RESOLUTION PROVIDING FOR THE PRE-TAX TREATMENT
OF COST-SHARING CONTRIBUTIONS TO PERS UNDER
SECTION 414(H)(2) OF THE INTERNAL REVENUE CODE**

LAS GALLINAS VALLEY SANITARY DISTRICT

WHEREAS, the Las Gallinas Valley Sanitary District of Marin County provides retirement benefits to eligible employees under the California Public Employees' Retirement System (PERS);

WHEREAS, benefits under PERS are funded by "member contributions" and "employer contributions," at rates determined by PERS in accordance with the laws governing PERS and with the agreement governing the District's participation in PERS;

WHEREAS, the District may, to the extent permitted by the PERS laws and the District's memorandums of understanding or similar agreements with employees, deduct employees' compensation to pay member contributions or employer contributions, or both, to PERS;

WHEREAS, the District previously adopted a resolution providing, in accordance with section 414(h)(2) of the Internal Revenue Code (Code), for the "pick up" of amounts deducted from employees' compensation to pay *member contributions* to PERS, in order to qualify the contributions as pre-tax for income-tax purposes; and

WHEREAS, the District wishes to adopt this resolution in order to (1) designate amounts deducted from employees' compensation to pay *employer contributions* to PERS ("cost-sharing contributions") as employee contributions, and (2) provide for the "pick up" of cost-sharing contributions in accordance with section 414(h)(2) of the Code, in order to qualify the contributions as pre-tax for income-tax purposes.

NOW, THEREFORE, THE LAS GALLINAS VALLEY SANITARY DISTRICT OF MARIN COUNTY, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. All cost-sharing contributions made by District employees are hereby designated as employee contributions.

SECTION 2. The District hereby picks up all cost-sharing contributions in accordance with section 414(h)(2) of the Code, so that the contributions, even though designated as employee contributions and deducted from employees' compensation, will be treated as employer contributions for tax purposes.

SECTION 3. Employees will not have the option of choosing, directly or indirectly, to receive the contributions instead of having them paid by the District to PERS.

SECTION 4. The District will pay to PERS the contributions designated as employee contributions from the same source of funds as used in paying salary.

SECTION 5. Contributions picked up under this resolution will be tax deferred to the extent provided under the Code, Treasury Regulations, and other guidance issued thereunder.

SECTION 6. This resolution applies to all contributions made on or after the date below.

SECTION 7. Nothing in this resolution affects or governs PERS's methods for characterizing or accounting for amounts deducted from employees' compensation for contribution to PERS. Those methods are governed solely by California law and PERS's policies.

PASSED, APPROVED AND ADOPTED on this 26th day of September, 2013, by the following vote:

AYES: *Clark, Elias, Greenfield, Murray, Schriebrun*
NOES: *None*
ABSENT: *None*
ABSTAIN: *None*


Susan McGuire, District Treasurer

APPROVED:


Megan Clark, Board President
Las Gallinas Valley Sanitary District

