MEETING: August 30, 2011 - Consent AGENDA NO.:

SUBJECT: Approve Internal Revenue Code Section 414(h)(2) Resolution which would allow WRA (Water Resources Agency) employee contributions to retirement to be made pre-tax.

DEPARTMENT: County Administrative Office – Human Resources Division

RECOMMENDATION:

It is recommended that the Board of Supervisors approve Internal Revenue Code Section 414(h)(2) Resolution which would allow WRA (Water Resources Agency) employee contributions to retirement to be made pre-tax.

SUMMARY:

This resolution applies to all WRA employees and would allow all employee contributions toward retirement to be treated as pre-tax deductions. No state or federal taxes will be deducted. The County of Monterey passed this resolution in 2007 to accommodate agreements with Safety units.

DISCUSSION:

During negotiations in 2011, unrepresented units and Service Employee International Union, Local 521 (SEIU), which represents the General and Supervisory (Units J and F) employees that work at WRA, agreed that employees would begin paying 3.5% of the 7% PERS (Public Employees Retirement System) employee share as soon as this can be programmed into the Payroll system.

Passage of this resolution will allow the retirement contributions paid by the employees to be made as pre-tax contributions. This will save money for the affected employees.

OTHER AGENCY INVOLVEMENT:

The Auditor-Controller’s Office, Water Resources Agency and SEIU concur with this action. County Counsel’s memo regarding the legality of this resolution is attached.

FINANCING:

Approval of this action will have no impact on the General Fund.

Prepared by: Terri Cook
Management Analyst III
Dated: August 18, 2011

Approved by: Keith Honda
Assistant County Administrative Officer-Human Resources
Dated: August 18, 2011

att: order; PERS Resolution, Memo from County Counsel
cc: Michael Miller, Auditor-Controller