

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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RESOLUTION AMENDING BOARD OF RETIREMENT REGULATION SECTION 7.3 (D), ADDING 7.3 (F) TO SECTION 7.3 SERVICE CREDIT AVAILABLE FOR PURCHASE BY ACTIVE MEMBERS, RENUMBERING EXISTING SECTIONS 7.3 (F)(1) AND (F)(2) TO SECTION 7.3 (G)(1) AND (G)(2), ADDING SECTION 7.3 (G)(3), RENUMBERING EXISTING SECTIONS 7.3 (F)(3) AND (F)(4) TO SECTIONS 7.3 (H) AND 7.3 (I), AMENDING SECTION 7.4 (B) AND 7.4 (C) TO SECTION 7.4 PAYMENT OPTIONS, AND AMENDING SECTION 7.5 (E) REDEPOSIT OF PREVIOUSLY WITHDRAWN CONTRIBUTIONS IN ARTICLE VII PURCHASE OF CREDIT FOR PUBLIC SERVICE

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, Government Code section 31525 provides that the Board of Retirement (BOR), with the approval of the Board of Supervisors, may establish regulations that govern the operation of SamCERA that are not inconsistent with the California Employees' Retirement Law of 1937;

WHEREAS, SamCERA complies with the requirements of the Internal Revenue Code of 1986 (the "Code") and the Treasury regulations issued thereunder, as amended or replaced from time to time, and its regulations are intended to be in accordance with the Code and the applicable Treasury regulations and if there is a conflict between federal and state law, federal law will govern; and

WHEREAS, at its April 27, 2021, meeting, the BOR amended various of its regulations as set forth below, subject to this Board's approval; and

WHEREAS, this Board adopted a resolution on March 23, 2021, making Government Code section 31646(b) effective for SamCERA members, allowing eligible

active members to purchase a certain amount of uncompensated leave of absence on account of parental leave as service credit and the BOR has now amended Section 7.3 (D) of Article VII Purchase Of Credit For Public Service to include this new ability to purchase uncompensated parental leave service credit; and

WHEREAS, the BOR has amended Section 7.3 Service Credit Available for Purchase by Active Members to add a new Section F to reflect that, commencing in August of 2021, qualified General Plan 5 members can transfer service credit to Plan 4 under specific circumstances and the existing Sections 7.3 (F)(1) and (2) should be renumbered as Section 7.3 (G)(1) and (2); and

WHEREAS, the BOR has amended Section 7.3 (G) Redeposit of Previously Withdrawn Contributions to add a new subsection 3 to reflect that, pursuant to Government Code section 31685.2, an active member may redeposit all contributions, plus interest, previously transferred to a nonmember spouse/partner's account and subsequently withdrawn by such nonmember and, upon the completion of such redeposit, shall have the corresponding service credit reinstated to the member's account; and

WHEREAS, the BOR amended its regulations to renumber the existing Section 7.3 (F)(3) as Section 7.3 (H) and to renumber the existing Section 7.3 (F)(4) as Section 7.3 (I); and

WHEREAS, the BOR has amended Section 7.4 Payment Options to clarify that certain pre-tax payment options are not available for the cost of transferring service credit from Plan 5 to Plan 4; and

WHEREAS, the BOR has amended Section 7.5 (E) Redeposit of Previously Withdrawn Contributions to add reference to Government Code section 31685.2

concerning the withdrawal of contributions by a nonmember awarded a separate account;
and

WHEREAS, this Board has reviewed the BOR's proposed amendments, additions,
and clarifications to the regulations and desires to approve them;

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the
Regulations of the Board of Retirement are amended to read as set forth below; and

BE IT FURTHER RESOLVED that the amendments shall become effective after
their approval by this Board of Supervisors.

Regulation 7.3 (D) of Article VII is amended to read:

D. Leave of Absence Credit. In accordance with Government Code section
31646, an eligible member may purchase his or her uncompensated leave of
absence on account of illness, not to exceed 12 consecutive months,
provided the eligible member returned directly to active service following
such uncompensated leave. An eligible member may also purchase
employer-approved leaves of absence on account of maternity or paternity
leave, for up to 12 consecutive months for each unpaid parental leave
occurrence. Members must have returned to active employment for a time
period at least equal to the parental leave to commence the purchase. The
parental leave must have commenced on or after March 23, 2021.

Regulation 7.3 (F) is added to Article VII and shall read:

F. Plan 5 to Plan 4: Eligible members in General Plan 5 can transfer to Plan
4, if they have provided 10 years of County service (20,800 hours) in Plan 5
and/or Plan 3 and pay all the additional employee and employer

contributions, plus interest, that would have been required had the member been in Plan 4 since the date of employment. Reciprocal service credit and purchases of service credit, such as extra help, cannot be used to satisfy the 10 years of service in Plan 5 requirement.

Existing Regulation 7.3 (F) Redeposit of Previously Withdrawn Contributions shall be renumbered to 7.3 G and shall be amended to add 7.3 G(3) which shall read as follows:

3. In accordance with the time period set forth in Government Code section 31685.2 and Regulation 7.5(E), an active member may redeposit to SamCERA an amount that is equal to all contributions, plus interest, previously transferred to a nonmember account and subsequently withdrawn by the nonmember. SamCERA will charge interest for the period from the date of the withdrawal of funds until the member has paid all of the required redeposit amount.

1. If for any reason a member fails to complete the redeposit of the withdrawn contributions plus interest, SamCERA will not reinstate the service credit to the member's account in accordance with Government Code section 31685.2. SamCERA will instead return the member's payment in a manner and at a time permitted under federal tax law.

2. SamCERA will credit the member's related service credit upon completion of full payment of all previously withdrawn contributions plus interest.

Existing Regulation 7.3 (F)(3) Additional Retirement Credit (ARC) shall be renumbered to 7.3 (H) and 7.3 (F)(4) Prior Military Service shall be renumbered to 7.3 (I).

Regulation 7.4 B is amended to read:

B. Pre-Tax Rollover Contributions: In accordance with the regulations contained in Article VIII, an eligible member may pay with a pre-tax rollover contribution to SamCERA from a qualified retirement plan, an individual retirement account or annuity, an annuity contract described in IRS Code section 403(b), or a governmental 457(b) plan. This payment option is not available for transfers from Plan 5 to Plan 4.

Regulation 7.4 C is amended to read:

C. Plan-to-Plan Transfers: In accordance with the regulations contained in Article VIII, an eligible member may pay with an in- service trustee-to-trustee transfer from a governmental eligible deferred compensation plan described in IRS Code section 457(b) or an annuity contract described in IRS Code section 403(b), provided the transfer plan or annuity contract provides for such transfers. Such transfers are subject to the requirements of IRS Code section 457(e)(17) or 403(b)(13), as applicable. This payment option is not available for transfers from Plan 5 to Plan 4.

Regulation 7.5 E is amended to read:

E. Redeposit of Previously Withdrawn Contributions: For redeposits of previously withdrawn contributions under Government Code section 31652 and 31685.2, installment payments may be made over a period of one year.

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