

RESOLUTION NO. .

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

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RESOLUTION AMENDING BOARD OF RETIREMENT REGULATIONS SECTIONS 8.4 (E)(5)(b), 8.4(F)(1)(a), 8.4(G)(4), 8.4 (H)(4) REGARDING REQUIRED MINIMUM DISTRIBUTIONS AND SECTIONS 8.10 (A) AND 8.10 (B) REGARDING NORMAL RETIREMENT AGES IN ARTICLE VIII INTERNAL REVENUE COMPLIANCE

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

WHEREAS, Article VIII Internal Revenue Compliance contains regulations in Section 8.4 which address Required Minimum Distributions (RMD), which reflect the existing practices of SamCERA with respect to the minimum distribution requirements under section 401(a)(9) of the Code and these regulations are intended to be in accordance with the Code and the applicable Treasury regulations; and

WHEREAS, section 401(a)(9) of the Code previously provided that deferred members and surviving spouses, needed to take their first RMD by April 1 after turning age 70.5. That section now provides that for members and surviving spouses who reach age 70.5 in 2020 or later must take their first RMD by April 1 of the year after they reach 72; and

WHEREAS, this Board desires to amend the regulations to be in conformity with this change to the Code; and

WHEREAS, the Board desires to also amend Section 8.10 regarding Normal Retirement Age to add a reference to the California Public Employees' Pension Reform Act of 2013 (PEPRA) for those members that are subject to PEPRA;

WHEREAS, the Board has reviewed proposed amendments and the addition to the regulations and desires to adopt such amendments;

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 8.4 (E)(5)(b) of Article VIII is amended to read:

b. Spouse is Not the Sole Beneficiary. When the Member's surviving Spouse is not the sole beneficiary then the period certain may not exceed the period established under the Uniform Lifetime Table contained in Treasury regulations section 1.401(a)(9)-9 for the calendar year that contains the Annuity Starting Date. If the Member is younger than age 72 in that year, then the distribution period for the Member is the distribution period for age 72 increased by the difference between 70 and the age of the Member in the year of the Annuity Starting Date. Also see below regarding Designated Beneficiaries.

Regulation 8.4 (F)(1)(a) of Article VIII is amended to read:

a. Spouse is the Sole Designated Beneficiary. If the Member's sole Designated Beneficiary is the Member's surviving Spouse, then, except as provided in paragraph (e) of this subsection 1, distributions to the surviving Spouse must begin by December 31 of the calendar year immediately following the calendar year in which the Member died or, if later, by December 31 of the calendar year in which the Member would have reached age 72.

Regulation 8.4 (G)(4) of Article VIII is amended to read:

4. Reciprocal Member. Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, and taking into account the vested rights in retirement benefits created by the California Constitution, if a deferred Member is a current employee and a member of another retirement system with which SamCERA has reciprocity under California law, then for purposes of determining the Required Beginning Date under SamCERA the Member shall be treated as a current employee of a SamCERA employer and as such, as if he or she had not retired, even if he or she has attained age 72.

Regulation 8.4 (H)(4) of Article VIII is amended to read:

4. Required Beginning Date. "Required Beginning Date" means April 1 of the calendar year following the later of the calendar year in which the Member attains age 72 or the calendar year in which the Member retires.

Regulation 8.10 Normal Retirement Ages, subdivisions (A) and (B) of Article VIII are amended to read:

A. General Members. The normal retirement age for general members shall be the later of age 60 or the age at which the member is entitled to receive a monthly retirement allowance under the County Employees Retirement Law of 1937 contained in Government Code sections 31450 et seq. or the California Public Employees' Pension Reform Act of 2013 contained in Government Code section 7522 et seq., as applicable. Normal retirement age is not later than age 70.

B. Safety Members. The normal retirement age for safety members shall be the later of age 53 or the age at which the member is entitled to receive a monthly retirement allowance under the County Employees Retirement Law of 1937 contained in Government Code sections 31450 et seq. or the California Public Employees' Pension Reform Act of 2013 contained in Government Code section 7522 et seq., as applicable. Normal retirement age is not later than age 70.

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