



County of San Mateo

Inter-Departmental Correspondence

Department: RETIREMENT

File #: 20-698

Board Meeting Date: 9/15/2020

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Scott Hood, Chief Executive Officer, SamCERA
Subject: Amendments to Board of Retirement Regulations

RECOMMENDATION:

Adopt a resolution amending Board of Retirement Regulation Sections 8.4 (E)(5)(b), 8.4(F)(1)(a), 8.4 (G)(4), and 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.

BACKGROUND:

Government Code §31525 authorizes the Board of Retirement (BOR) to adopt regulations and provides that they become effective when approved by the Board of Supervisors. At its August 25th meeting, the BOR adopted the regulation changes discussed below and now submit them to this Board for approval.

DISCUSSION:

Prior to 2019, Internal Revenue Code (IRC) § 401(a)(9) required SamCERA members who reach age 70.5 and have left active service and kept their retirement contributions on deposit and surviving spouses who reach age 70.5 who have contributions on deposit to begin taking a Requirement Minimum Distributions (RMD) from their account by April 1 of the year after they reach 70.5. That IRC section now provides that for these members or surviving spouses who reach age 70.5 in 2020 or later, they must take their first RMD by April 1 of the year after they reach 72. The BOR amended Section 8.4 to reflect the amendments to IRC § 401(a)(9).

The BOR also amended Section 8.10 regarding Normal Retirement Ages to add a reference to the California Public Employees' Pension Reform Act of 2013. There is no substantive change to the regulation; it still provides that the normal retirement ages are 60 for General members and 53 for Safety members.

Counsel has reviewed and approved the resolution as to form.

FISCAL IMPACT:

There is no impact to Net County Cost.