

**RESOLUTION NO. R.09-2003**

**A RESOLUTION OF THE GOVERNING BOARD OF THE BIG BEAR AREA  
REGIONAL WASTEWATER AGENCY BETWEEN THE BOARD OF  
ADMINISTRATION CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
AND THE BOARD OF DIRECTORS OF THE BIG BEAR AREA REGIONAL  
WASTEWATER AGENCY FOR EMPLOYER PICKUP PRE-TAX PAYROLL  
DEDUCTION PLAN FOR SERVICE CREDIT PURCHASES  
(CONTRIBUTION CODE 14)**

**WHEREAS**, the Board of Administration of the California Public Employees' Retirement System (CalPERS) at the April 1996 meeting approved a pre-tax payroll deduction plan for service credit purchases under Internal Revenue Code (IRC) section 414 (h) (2); and

**WHEREAS**, the Big Bear Area Regional Wastewater Agency has the authority to implement the provisions of IRC section 414 (h) (2) and has determined that even though implementation is not required by law, the tax benefit offered by this section should be provided to those employees who are members of CalPERS; and

**WHEREAS**, the Big Bear Area Regional Wastewater Agency elects to participate in the pre-tax payroll deduction plan for all employees in the following CalPERS coverage group of local miscellaneous members:

**NOW, THEREFORE, BE IT RESOLVED:**

- I. That the Big Bear Area Regional Wastewater Agency will implement the provisions of IRC section 414 (h) (2) by making employee contributions for service credit purchases pursuant to the California State Government Code on behalf of its employees who are members of CalPERS and who have made a binding irrevocable election to participate in the pre-tax payroll deduction plan. "Employee contributions" shall mean those contributions reported to CalPERS which are deducted from the salary of employees and are credited to individual employee accounts for service credit purchases, thereby resulting in tax deferral of employee contributions.
- II. That the contributions made by the Big Bear Area Regional Wastewater Agency to CalPERS, although designated as employee contributions, are being paid by the Big Bear Area Regional Wastewater Agency in lieu of contributions by the employees who are members of CalPERS.
- III. That the employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the Big Bear Area Regional Wastewater Agency to CalPERS.
- IV. That the Big Bear Area Regional Wastewater Agency shall pay to CalPERS the contributions designated as employee contributions from the same source of funds as used in paying salary, thereby resulting in tax deferral of employee contributions.

- V. That the effective date for commencement of the pre-tax deduction plan cannot be any earlier than July 1, 1996, or the date the completed resolution is received and approved in CalPERS, whichever is later.
- VI. That the governing body of the Big Bear Area Regional Wastewater Agency shall participate in and adhere to requirements and restrictions of the pre-tax payroll deduction plan by reporting pre-tax payroll deductions when authorized by CalPERS for those employees of the above stated Coverage Group(s) who have elected to participate in this plan

**APPROVED AND ADOPTED** this 26<sup>th</sup> day of February 2003

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 Robert Colven, Chairman of the Governing  
 Board of the Big Bear Area Regional  
 Wastewater Agency

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 Dr. Donald Eads, Secretary of the Governing  
 Board of the Big Bear Area Regional  
 Wastewater Agency

**RETURN ADDRESS:**

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<b>FOR CALPERS USE ONLY</b>
<b>Pre-tax Payroll Deduction Plan Effective Date:</b> _____
<b>Approved by:</b> _____ <b>Title:</b> _____
<b>MEMBER SERVICES DIVISION, Service Credit Section – Unit 830</b>