

**CITY OF SAND CITY  
RESOLUTION SC 20-39, 2020**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND CITY TO TAX DEFERRED  
MEMBER PAID CONTRIBUTIONS – IRC 414(H)(2)**

**WHEREAS**, the governing body of the City of Sand City has the authority to implement the provisions of section 414(h)(2) of the Internal Revenue Code (IRC); and

**WHEREAS**, the Board of Administration of the California Public Employees' Retirement System (CalPERS) adopted its resolution re section 414(h)(2) IRC on September 18, 1985; and

**WHEREAS**, the Internal Revenue Service has stated in December 1985, that the implementation of the provisions of section 414(h)(2) IRC pursuant to the Resolution of the Board of Administration would satisfy the legal requirements of section 414(h)(2) IRC; and

**WHEREAS**, the City of Sand City has determined that even though the implementation of the provisions of section 414(h)(2) IRC is not required by law, the tax benefit offered by section 414(h)(2) IRC should be provided to Miscellaneous and Safety Personnel who are members of the CalPERS.

**NOW, THEREFORE, BE IT RESOLVED** that

1. The City of Sand City will implement the provisions of section 414(h)(2) Internal Revenue Code by making employee contributions pursuant to California Government Code Section 20691 to the CalPERS on behalf of all its employees or all its employees in a recognized group or class of employment who are members of the CalPERS. "Employee contributions" shall mean those contributions to the CalPERS which are deducted from the salary of employees and are credited to individual employee's accounts pursuant to California Government Code section 20691.
2. Employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the City of Sand City to the CalPERS.
3. The City of Sand City shall pay to the CalPERS the contributions designated as employee contributions from the same source of funds as used in paying salary.
4. The contributions designated as employee contributions made by the City of Sand City to the CalPERS shall be treated for all purposes, other than taxation, in the same way that member contributions are treated by CalPERS.

**PASSED AND ADOPTED** by the City Council of Sand City this 2<sup>nd</sup>, day of June, 2020 by the following vote:

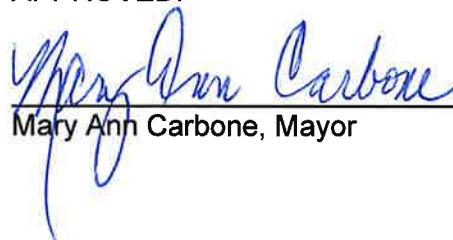
AYES: Council Members Blackwelder, Carbone, Cruz, Hawthorne, Sofer  
NOES: None  
ABSENT: None  
ABSTAIN: None

ATTEST:



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Connie Horca, Acting City Clerk

APPROVED:

  
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Mary Ann Carbone, Mayor