



Agenda Item No. 3

To: Rules, Policy and Industrial Relations Committee/Committee of the Whole
Meeting of September 12, 2008

From: Harvey Pye, Director of Human Resources
Celia G. Kupersmith, General Manager

Subject: **APPROVE AN AMENDMENT TO CALPERS PENSION PLAN TO
ALLOW EMPLOYEES TO PURCHASE SERVICE CREDIT ON A
PRETAX BASIS RELATIVE TO A CHANGE IN THE TITLE OF THE
MEMBERSHIP COVERAGE**

Recommendation

The Rules, Policy and Industrial Relations Committee recommends that the Board of Directors approve an amendment relative to an administrative change in the title of the membership coverage group to reflect a change in coverage group from Membership Coverage Group 70002 to All Miscellaneous Coverage Groups, and amend Resolution No. 2005-038 accordingly. A copy of the amended resolution is attached.

Summary

When the Resolution No. 2005-038 was passed in May 2005, all District employees covered by CalPERS were included in Membership Coverage Group 70002. In May 2007 the District's contract with CalPERS was amended to reflect a benefit change from 2% at 55 to 2.5% at 55. This change initiated a Membership Coverage Group change to 70003.

Fiscal Impact

Service credit purchases are an elective benefit that is paid for at the employee's own expense. The cost of offering this option does not increase costs to the District.

The requested administrative change has no fiscal impact to our existing coverage. However, the pre-tax status of contributions by District participants will be adversely impacted if the requested change is not approved.

Attachment