



BOARD OF RETIREMENT

Staff Report

File #: 19-705.1

Agenda Date: 1/9/2020

Agenda #: 21.

FROM: Colin Bishop, Chief of Member Services

SUBJECT: Approve updates to Benefits Policy No. 027 (Contributions)

RECOMMENDATION:

Approve updates to Benefits Policy No. 027 (Contributions).

BACKGROUND:

General Policy No. 005 involves the periodic review of the Board policies and indicates that the Administrative Committee review Administrative and Benefit policies every three years. Accordingly, SBCERA staff has reviewed Benefits Policy No. 027 (Contributions), and recommends several changes. Nancy Hilu and Judith Boyette, from SBCERA's tax counsel Hanson Bridgett, also reviewed the policy and suggested changes. Aside from clean-up language and edits designed for clarification, the changes are outlined below:

1. Section 2b: changed wording to make withdrawal charge optional;
2. Section 2c: removed section;
3. Section 3: language is being changed to ensure compliance with IRS regulations;
4. Section 4: language is being changed to ensure compliance with IRS regulations;
5. Section 5: added language to specify that interest will now be collected on under-payment of member contributions, and added language to outline collections process;
6. Section 6: language is being changed to ensure compliance with IRS regulations;
7. Section 8: language is being changed to ensure compliance with IRS regulations.

No other significant changes are recommended.

COMMITTEE REVIEW:

The Administrative Committee reviewed this item at its December 19, 2019 meeting, and recommends Board approval, with a 4-0 vote.

BUDGET IMPACT:

None.

STRATEGIC PLANNING GOAL/OBJECTIVE:

Operational Excellence & Efficiency

STAFF CONTACT:

Colin Bishop
Amy McInerny

ATTACHMENTS:

Exhibit A: Proposed Benefits Policy No. 027 (Contributions) - Redline