

BOARD OF RETIREMENT
FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

RESOLUTION

Subject: Action of the Board of Retirement With Regard to the Modification of the Pick-Up Contributions Provisions for Non-Mandatory Member Contributions

WHEREAS, The Board of Retirement has the sole and exclusive responsibility for administering the Fresno County Employees' Retirement Association (FCERA) pursuant to the County Employees Retirement Law of 1937 ("CERL") and the California Constitution, Article XVI, Section 17.

WHEREAS, Section 414(h) of the Internal Revenue Code of 1986, as amended, ("Code"), generally authorizes the payment of member contributions on a pre-tax basis.

WHEREAS, The Board of Supervisors, by adoption of Ordinances, among them 86-006 as clarified by The Board of Retirement Resolution dated March 25, 2003, and in accordance with the requirements of the Code, approved the use of the Code section 414(h) pick up provisions with respect to member contributions.

WHEREAS, Under the Code section 414(h) pick up provisions of FCERA, members are permitted to purchase their non-mandatory service credit contributions with rollover contributions made to FCERA or through payroll withholding on a pre-tax basis.

WHEREAS, As a result of Internal Revenue Service ("IRS") guidance issued under Revenue Ruling 2006-43 and subsequent comments by IRS representatives, the ability to pick up member non-mandatory service purchase contributions on a pre-tax basis has been under scrutiny.

WHEREAS, The Board of Retirement finds that in light of the IRS position on the subject of non-mandatory member contributions under Code section 414(h), the prudent action would be to eliminate prospectively the payment of member non-mandatory contributions as pick up contributions under the provisions of Code section 414(h).

WHEREAS, after considering all of the information available to the Board, and exercising its judgment in the matter,

RESOLVED, that on and after the date that this Resolution becomes effective, FCERA will not permit member non-mandatory service purchases to be made on a pre-tax basis under the provisions of Code section 414(h).

RESOLVED, that these Resolutions shall be effective upon the first day of the payroll period after the date, the following actions are taken:

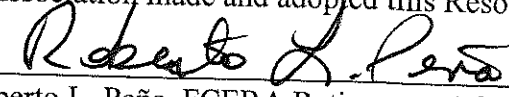
1. Adoption of an appropriate resolution or ordinance by the County and all appropriate participating districts implementing the forgoing; and

2. Modification to the FCERA and County and appropriate participating districts payroll systems to eliminate pre-tax non-mandatory member contributions and implement post-tax non-mandatory member contributions.


Chair, Board of Retirement


Secretary, Board of Retirement

I hereby certify that on the 22nd day of June, 2011, the Board of Retirement of the Fresno County Employees' Retirement Association made and adopted this Resolution.


Roberto L. Peña, FCERA Retirement Administrator