



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Treasurer-Tax Collector
Department No.: 065
For Agenda Of: July 10th, 2012
Placement: Administrative

Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Harry E. Hagen, CPA, CPFO, CPFIM, Treasurer – Tax Collector
Director(s) (805) 568-2490
Contact Info: Debra D. Dell, Business Manager (805) 568-2938

SUBJECT: Great-West Retirement Services Roth 457 Option

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence:

Deferred Compensation Oversight Committee
As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- A) Adopt a resolution authorizing the Treasurer-Tax Collector to execute necessary documents to set up a Roth 457 option under Great-West Retirement Services. This will allow County employees to have the option to contribute after tax earnings to their Great-West deferred compensation account; and
- B) Approve the attached Great-West deferred compensation amended adoption agreement for the County's regular 457b plan to include the Roth 457 option.

Summary Text:

On September 27, 2010, President Obama signed the Small Business Jobs Act of 2010 ("Act"). The Act contains legislation that allows governmental 457(b) plans, beginning January 1, 2011, to offer a designated Roth Account and allow the in-plan rollover of a distribution eligible for rollover to a Roth Account. Both of these are optional features for a governmental 457(b) plan. In order for a participant to make an in-plan rollover to a designated Roth account, the Plan must allow Roth contributions and the participant must be eligible to take a distribution from the Plan.

Background:

On November 23, 1981, under Government Code Section 53213, the County established a deferred compensation plan for its officers and employees. Under the Plan, County officers and employees may defer payment of a portion of their current compensation until retirement, death, unforeseeable emergency or other enumerated events. Participants may direct that their deferred compensation be invested among a variety of options. Deferred compensation and gains from investments in the plan are not subject to tax until withdrawn.

The plan is voluntary and available to any full-time or part-time officer, employee, elected official, or contractor enrolled in the retirement system. Extra help employees or independent contractors are not eligible to be a participant in this plan. All contributions are made by employees; the County does not provide any matching funds.

The Plan is administered by the County Treasurer-Tax Collector with consultation from an advisory committee consisting of the Auditor-Controller, Human Resources, County Executive Office, Treasurer-Tax Collector, Retirement Administrator, one representative from each of the recognized employee bargaining units, one from each of the non-represented bargaining units, and one retiree.

On August 14, 2007 the Board authorized the Treasurer-Tax Collector to execute an agreement with Great-West Retirement Services for deferred compensation administrative services. The plan document was amended in 2009 to include pension reform legislation.

Fiscal and Facilities Impacts:

The 457 Deferred Compensation plan has nearly 4,000 participants and \$185 million in assets. There are no County fiscal or facility impacts.

Staffing Impacts:

No additional staffing is requested.

Special Instructions:

Please send a copy of the Minute Order to Debra D. Dell, Treasurer-Tax Collector Department

Attachments:

1. Resolution
2. Great-West amended adoption agreement for the Great-West 2011 Model 457b Plan Document for Governmental Employers
3. Great-West 2011 Model 457b Plan Document for Governmental Employers

Authored by: Debra D. Dell, Business Manager