

AGENDA ITEM

112 FEBRUARY

DATE: February 10, 2012

TO: Members, Board Committee on Operations
Members, Board of Trustees

FROM: Robert A. Hawley, Deputy Executive Director

SUBJECT: Amendment and Restatement of Employee Benefit IRS Code 125 Plan

EXECUTIVE SUMMARY

This item is before the Board for it to amend and restate the State Bar of California's IRS Code 125 Employee Benefit Plan. The 125 Plan addresses flexible benefits made available to employees at the State Bar of California consistent with Internal Revenue Code section 125. This plan is administered by an outside administrator, Benesyst. Benesyst recommends the adoption of the amended plan to conform to required changes that have occurred. There is no change in benefits or cost.

ISSUE

The amendment and restatement of the State Bar of California 125 Plan governing employee flexible benefit accounts consistent with Internal Revenue Code section 125.

CONCLUSION

The State Bar recommends this action. There is no material change in the plan. It was first adopted in 2009. It is updated and restated here due to changes recommended by the plan administrator. Board adoption of this plan is required by the plan administrator.

DISCUSSION

Before the Board for adoption is the State Bar of California 125 Plan. This is an employee benefit plan consistent with Internal Revenue Code section 125 governing flexible benefit accounts such as health care and dependent care assistance. These are programs that allow employees to obtain tax benefits related to dependent care and health care reimbursement by setting aside payroll funds each year earmarked to these areas, that are then not taxed as income.

The plan was first adopted in 2009. It is amended and restated here based upon the recommendations of Benesyst, an outside firm the State Bar uses to administer this program. Benesyst requires Board act adopting the plan, attached as Attachment 1.

This has no budgetary, human resource, or benefit impact. No change in benefits is occurring. The plan is being restated to conform to changes in administration required by the plan administrator.

FISCAL / PERSONNEL IMPACT:

None.

RULE AMENDMENTS:

None.

BOARD BOOK IMPACT:

None.

RECOMMENDATION

The State Bar recommends that the Board Operations Committee and the Board adopt the proposed resolution.

PROPOSED BOARD COMMITTEE RESOLUTION:

Should the Board Committee on Operations agree with the above recommendation, the following resolution is appropriate:

RESOLVED, that the Board Committee on Operations recommends that the Board adopt the State Bar of California 125 Plan amended and restated in the form before the Board this date, which plan is hereby adopted and approved; and it is

FURTHER RESOLVED, that the Board Operations Committee recommends that the Deputy Executive Director be authorized to act on behalf of the Board to execute the plan on behalf of the State Bar of California effective on and after December 31, 2011; and it is

FURTHER RESOLVED, that the Board Operations Committee recommends that the Board authorize the Deputy Executive Director to take any and all actions to execute and deliver such documents as may be necessary and appropriate to effect the forgoing resolutions including, without limitation, causing to be prepared and filed such reports documents or other information as may be required under applicable laws.

PROPOSED BOARD OF TRUSTEES RESOLUTION:

Should the Board concur with the Board Committee on Operations's recommendation, the following resolution is appropriate:

RESOLVED, that upon the recommendation of the Board Committee on Operations the Board adopts the State Bar of California 125 Plan amended and restated in the form before the Board this date, which plan is hereby adopted and approved; and it is

FURTHER RESOLVED, that upon the recommendation of the Board Operations Committee the Board authorizes the Deputy Executive Director to act on behalf of the Board to execute the plan on behalf of the State Bar of California effective on and after December 31, 2011; and it is

FURTHER RESOLVED, that upon the recommendation of the Board Operations Committee the Board authorizes the Deputy Executive Director to take any and all actions to execute and deliver such documents as may be necessary and appropriate to effect the forgoing resolutions including, without limitation, causing to be prepared and filed such reports documents or other information as may be required under applicable laws.