

**RESOLUTION TO CHANGE
TAX-DEFERRED EMPLOYER PAID MEMBER CONTRIBUTIONS
TO TAX-DEFERRED MEMBER PAID CONTRIBUTIONS
TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

WHEREAS, the governing body of THE STATE BAR OF CALIFORNIA has the authority to implement Government Code Section 20691;

WHEREAS, the governing body of THE STATE BAR OF CALIFORNIA has had a written labor policy or agreement which, since 2004, specifically provided for the normal member contributions to be paid by the employer;

WHEREAS, the governing body of THE STATE BAR OF CALIFORNIA is ending the policy or agreement providing that member contributions be paid by the employer and instead is requiring member contributions to be paid by the employee commencing with the first full pay period in 2014, except as set forth here;

WHEREAS, the governing body of THE STATE BAR OF CALIFORNIA will continue the written policy of paying member contributions for statutorily defined State Bar Court Judge appointees;

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of THE STATE BAR OF CALIFORNIA of a Resolution to govern Employer Paid Member Contributions (EPMC);

WHEREAS, the governing body of THE STATE BAR OF CALIFORNIA has identified the following conditions for the purpose of ending its previous election to pay EPMC;

- This shall apply to all employees classified as Miscellaneous Members except statutorily defined State Bar Court Judges;
- The employer shall pay 0% (Zero Percent) of the normal member contributions as EPMC for all Miscellaneous Members, except as noted;
- The employer shall continue to pay 7% (Seven Percent) of the normal member contributions as EPMC for statutorily defined State Bar Court Judge appointees;
- The effective date of this Resolution is January 1, 2014.

AND FURTHER,

WHEREAS, the governing body of the THE STATE BAR OF CALIFORNIA has the authority to implement the provisions of section 414(h)(2) of the Internal Revenue Code (IRC); and

WHEREAS, THE STATE BAR OF CALIFORNIA determined that even though the implementation of the provisions of section 414(h)(2) IRC is not required by law, the tax benefit offered by section 414(h)(2) IRC previously was provided to all employees who are members of the California Public Employees' Retirement System; and

WHEREAS, the THE STATE BAR OF CALIFORNIA implemented the provisions of section 414(h)(2) Internal Revenue Code by making employee contributions pursuant to California Government Code Section 20691 to the California Public Employees' Retirement System on behalf of all its employees who are members of the California Public Employees Retirement System. "Employee contributions" shall mean those contributions to the Public Employees' Retirement System which are deducted from the salary of employees and are credited to individual employee's accounts pursuant to California Government Code section 20691. This was applicable back to 2004 when this was first negotiated by the union and shall continue until ended;

WHEREAS, the contributions made by THE STATE BAR OF CALIFORNIA to the California Public Employees' Retirement System, although designated as employee contributions, were paid by THE STATE BAR OF CALIFORNIA in lieu of contributions by the employees who are members of the California Public Employees' Retirement System, and were since negotiated with Service Employees International Union in 2004; and

WHEREAS, the governing body of THE STATE BAR OF CALIFORNIA is ending the policy or agreement providing that member contributions be paid by the employer and instead will require member contributions to be paid by the employee commencing with the first full pay period in 2014, except as noted;

WHEREAS, the governing body of THE STATE BAR OF CALIFORNIA will continue the written policy of paying member contributions for statutorily defined State Bar Court Judges;

WHEREAS, employees do not have the option of choosing to receive the contributed amounts directly instead of having them paid by THE STATE BAR OF CALIFORNIA to the California Public Employees' Retirement System; and

WHEREAS, THE STATE BAR OF CALIFORNIA shall pay to the California Public Employees' Retirement System the contributions designated as employee contributions from the same source of funds as used in paying salary; and

WHEREAS, the amount of the contributions designated as employee contributions to the California Public Employees' Retirement System shall be the entire contribution required of the employee by the California Public Employees' Retirement Law (California Government Code Sections 20000, et seq.); and

WHEREAS, the contributions designated as employee contributions to the California Public Employees' Retirement System shall be treated for all purposes, other than taxation, in the same way that member contributions are treated by the California Public Employees' Retirement System.

NOW, THEREFORE, BE IT RESOLVED that the governing body of THE STATE BAR OF CALIFORNIA elects to end paying EPMC, as set forth above, for all employees except statutorily appointed State Bar Court Judges; and it is

FURTHER RESOLVED, that the employee contributions paid by employees shall be on a tax deferred basis; and it is

FURTEHR RESOLVED, that the EPMC paid by THE STATE BAR OF CALIFORNIA on behalf of State Bar Court Judge appointees shall be on a tax deferred basis;

PASSED AND ADOPTED by the governing body of THE STATE BAR OF CALIFORNIA this 7th day of March, 2014, to be effective January 1, 2014.

BY: _____
Robert A. Hawley
Deputy Executive Director
Employee Relations Officer
THE STATE BAR OF CALIFORNIA