

**RESOLUTION OF THE BOARD OF RETIREMENT OF VENTURA COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION (VCERA)
PERTAINING TO REGULATIONS
FOR INTERNAL REVENUE CODE SECTION 415 – ANNUAL LIMITS**

WHEREAS, the Board of Retirement for the Ventura County Employees' Retirement Association ("VCERA") administers VCERA for the benefit of its members and their beneficiaries; and

WHEREAS, VCERA is intended to comply with the requirements of the Internal Revenue Code of 1986 (the "Code"), as amended or replaced from time to time and the regulations issued thereunder as applicable; and

WHEREAS, on January 26, 2016, the Board of Retirement submitted to the Internal Revenue Service ("IRS") a request for a favorable determination that VCERA meets the applicable requirements of the Code; and

WHEREAS, the plan documents, including Regulations of the Board of Retirement, were submitted for review with VCERA's determination letter application; and

WHEREAS, items of pay that are included in a member's "Total Compensation" for purposes of Code section 415 is defined in Section III.I.1 of Regulations for IRC Section 415(c), subsections 1.a through 1.f; and

WHEREAS, Section III.I.3 of Regulations for IRC Section 415(c) provides that payments the description of which meet the definition of "differential wage payments" provided in Internal Revenue Code section 3401(h)(2) are included in a member's Total Compensation, even if paid more than 2½ months after severance from employment or after the end of the Limitation Year, if later; and

WHEREAS, the IRS has requested that VCERA Regulations for IRC Section 415(c) be clarified to provide that the definition of compensation for purposes of Code section 415 includes "differential wage payments" as defined in Code section 3401(h)(2), pursuant to Section 105(b) of the Heroes Earnings Assistance and Relief Tax Act of 2008 ("HEART Act");


NOW, THEREFORE, BE IT RESOLVED that the Board of Retirement hereby amends Section III.I.1 of VCERA Regulations for IRC Section 415(c), to add new subsection "g." thereto, to read in its entirety as follows:

"Differential wage payments as defined in Internal Revenue Code section 3401(h)(2)."

In accordance with section 31525 and section 31899 et. seq. of the California Government Code, the amendment to the regulations set forth herein is effective as of the date it is approved by the Ventura County Board of Supervisors.

ADOPTED AND APPROVED by the Board of Retirement of the Ventura County Employees' Retirement Association on the 27th day of March, 2017.

Ayes:	<u>9</u>
Noes:	<u>0</u>
Abstain:	<u>0</u>
Absent:	<u>2</u>



Chair of the Board