



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

County Counsel

DATE: October 23, 2006

BOARD MEETING DATE: November 7, 2006

SPECIAL NOTICE/HEARING: No

VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors
FROM: Thomas F. Casey III, County Counsel
SUBJECT: SamCERA's 401(h) Reserve Account

RECOMMENDATION:

Adopt A Resolution Restating Resolution 61970 Authorizing Contributions to SamCERA's 401 (h) Reserve Account.

VISION ALIGNMENT:

Commitment: Responsive, effective and collaborative government.

Goal(s): Government decisions are based on careful consideration of future impact, rather than temporary relief or immediate gain.

BACKGROUND:

In 1998 the Board of Supervisors and SamCERA established a 401(h) account at SamCERA to provide tax-free Medicare Part B Premium Reimbursement to retirees in accordance with the Internal Revenue Code and the County Employees' Retirement Law. Payments were made out of that account from July 1998 through June 2004.

DISCUSSION:

Tax counsel has advised that the 1998 resolution creating the 401(h) account be restated in order to conform to current law and practice. The proposed resolution is in conformance with both current law and practice.

FISCAL IMPACT:

None.

THOMAS F. CASEY III, COUNTY COUNSEL

cc: John Maltbie, County Manager
David Bailey, CEO, SamCERA

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