



## Legislation Text

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**File #:** 20-0441, **Version:** 1

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Treasurer-Tax Collector recommending the Board authorize the Chair to sign Amendment IV to the El Dorado County California Deferred Compensation Plan Administration Agreement with Nationwide Retirement Solutions and the CalPERS 457 Plan Roth Adoption Form to add the Roth 457(b) provision as a new option within the Nationwide and CalPERS deferred compensation plans and to allow in-plan conversions.

**FUNDING:** N/A

### **DISCUSSION / BACKGROUND**

The Roth 457(b) is an investment vehicle that allows employees to make after-tax payroll contributions (i.e., that are not tax deductible in the year of contribution) and later take tax-free distributions, after certain conditions are met. Earnings on contributions will not be taxed when withdrawn as part of a qualified distribution. Qualified distributions are allowed after 5 years from the first date of contribution to the Roth 457(b), and after the employee attains the age of 59 1/2, or becomes disabled, dies, or separates from County employment.

Employees may choose to allocate part or all of their salary deferral to the Roth 457(b) or all or part of their salary deferral to their traditional 457(b) pre-tax account. Employees may also elect in-plan conversions which transfers existing deferred compensation investment money into the Roth 457(b) investment vehicle.

### **ALTERNATIVES**

The Board could choose to not approve the Amendment, and employees would be limited to the existing pre-tax 457 Deferred Compensation plan. It is not required that the County provide this savings/investment vehicle; just an expansion of options to employees.

### **PRIOR BOARD ACTION**

N/A

### **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

Auditor Controller's Office - Payroll Division.

### **CAO RECOMMENDATION / COMMENTS**

It is recommended that the Board approve this item.

### **FINANCIAL IMPACT**

N/A

### **CLERK OF THE BOARD FOLLOW UP ACTIONS**

Upon approval, obtain the Chair's signature on two originals of both the Nationwide Roth Amendment IV and CalPERS 457 Plan Roth Adoption Form and deliver the four signed originals to the Treasurer-

Tax Collector's Office, attention Todd Hall.

**STRATEGIC PLAN COMPONENT**

Good Governance.

**CONTACT**

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