

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO. **7.C.**

FROM: John F. Weigold IV, General Manager

Meeting Date: June 9, 2022

Subject: Discussion and Consideration to Adopt Resolution 39-2022 Authorizing Employee Contributions to the District's 401(a) Deferred Compensation Plan

RECOMMENDATIONS:

Staff recommends that the Board of Directors discuss and consider adoption of Resolution 39-2022 authorizing employees to contribute to the District's 401(a) deferred compensation plan.

FISCAL IMPACT:

There is no financial impact to the District, as contributions to the District's existing 401(a) deferred compensation plan are made by individual employees with no match by the District.

DISCUSSION:

The District offers a 457(b) deferred compensation plan to eligible employees as part of their employee benefits and would also like to offer a 401(a) deferred compensation plan. Both plans allow for pre-tax contributions for tax-deferral purposes. While the employee can adjust individual contributions to their 457(b) deferred compensation plan, the District, as the employer, must specify the amount employees must contribute to their 401(a) deferred compensation plan, should the employee choose to participate. The District utilizes Mission Square Retirement (formerly ICMA Retirement Corporation) for deferred compensation plan services.

Most employees are not contributing the annual maximum contribution to their 457(b) deferred compensation plan. Those employees who are reaching the 457(b) deferred compensation plan's annual maximum contribution limit may elect to contribute more money for retirement and the District's 401(a) deferred compensation plan would allow them to do so. Those employees who have expressed an interest in participating (the General Manager, Administration Department Manager, and the Wastewater Superintendent) have agreed to contribute 20% per year of their salary to the District's 401(a) deferred compensation plan.

Staff recommends that the Board adopt Resolution 39-2022 authorizing employees to contribute 20% of their salary to the District's 401(a) deferred compensation plan.

Attachment: Resolution 39-2022