

**SAN DIEGO COUNTY EMPLOYEES RETIREMENT ASSOCIATION**  
**PENSION PROTECTION ACT OF 2006 – ADDITIONAL ITEMS POLICY**

**I. PURPOSE**

To provide that the San Diego County Employees Retirement Association (the "Association") will comply with the requirements of the Pension Protection Act of 2006 ("PPA") and to make optional changes to the Association in accordance with PPA. This Policy is divided into two parts: (i) revision of the governmental plan exemption from the non-discrimination rules under section 401(a)(5) of the Internal Revenue Code of 1986, as amended (the "Code") and the Code section 401(a)(26) coverage rules, and (ii) clarification that the notice required by Code section 402(f) may be provided a maximum of 180 days before a benefit commences.

Other Policies may contain additional provisions intended to satisfy the requirements of PPA, including, but not limited to, Policy #4 – *401(a)(31)* and Policy #9 – *401(a)(9)*.

**II. POLICY**

A. Code Section 401(a)(5) and Code Section 401(a)(26)

Pursuant to Code section 401(a)(5)(G), Code sections 401(a)(3) and 401(a)(4) shall not apply to a governmental plan within the meaning of Code section 414(d). In addition, Code section 401(a)(26) shall not apply to a governmental plan within the meaning of Code section 414(d).

B. Notice Required by Code Section 402(f)

The notice required by Code section 402(f) as of May 2015, the SDCERA *Special Tax Notice Regarding Plan Payments* may be provided no less than 30 days and no more than 180 days before the date of a distribution. However, if the distributee, after having received the Code section 402(f) notice, affirmatively elects a distribution, a plan will not fail to satisfy Code section 402(f) merely because the distribution is made less than 30 days after the Code section 402(f) notice was provided to the distributee, provided that SDCERA clearly indicates to the distributee that the distributee has a right to consider the decision of whether or not to elect a direct rollover for at least 30 days after the notice is provided.

**REVIEW**

This policy shall be reviewed by the Board at least every three (3) years and may be amended at any time.

**HISTORY**

June 7, 2012	Adopted, effective immediately
June 4, 2015	Revised, effective immediately