

SAN DIEGO COUNTY EMPLOYEES RETIREMENT ASSOCIATION

PURCHASE OF SERVICE CREDIT/REPAYMENTS – CODE SECTIONS 415(k)(3) AND 415(n) POLICY

I. PURPOSE

To affirm that the San Diego County Employees Retirement Association (the "Association"), to the extent that purchases of permissive service credit and/or repayments of previously paid out benefits are permitted under the California Government Code as adopted by the Board of Supervisors and/or the Board of Retirement, as applicable, will comply with applicable Internal Revenue Code ("Code") requirements.

II. POLICY

A. General Rule

Repayments of previously paid out benefits shall comply with Code section 415(k)(3) and any Treasury Regulations thereunder. Purchases of permissive service credit described in Code section 415(n) shall comply with Code section 415(n) and any Treasury Regulations thereunder, including the requirements under Code section 415(n)(3)(B) that, except as provided in Code section 415(n)(3)(D), (1) no more than 5 years of nonqualified service credit be taken into account under Code section 415(n) and (2) no nonqualified service credit be taken into account under Code section 415(n) before a Member has at least 5 years of participation in the Association. Rollover contributions and the benefits attributable thereto shall comply with applicable Code provisions and Treasury Regulations thereunder.

B. Plan-to-Plan Transfer

With regard to plan-to-plan transfers, the Association will accept funds from any of the following eligible transfer plans:

1. A plan which is qualified under Code section 401(a);
2. An annuity contract under Code section 403(b) that is purchased by an employer which is a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state ("Governmental 403(b)"); and
3. An eligible deferred compensation plan under Code section 457(b) that is maintained by the state of California, political subdivision of the state, or any agency or instrumentality of the state or political subdivision of the state ("California 457").

C. Rollover Contributions

With regard to the receipt of eligible rollover distributions, the Association will accept rollover contributions that are "eligible rollover distributions" as described in Code section 402(c), 408, and the Treasury Regulations thereunder, as applicable; provided, however, that after-tax and Roth contributions will not be accepted.

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D. Documentation

A Member must provide such documentation as may be required by the Association before a plan-to-plan transfer or a rollover contribution will be accepted by the Association. The Association is under no obligation to accept a plan-to-plan transfer or a rollover contribution unless any information it deems necessary to substantiate such transfer or contribution 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	Reviewed, no changes