

**MOORPARK CITY COUNCIL  
AGENDA REPORT**

**TO:** Honorable City Council

**FROM:** Deborah S. Traffenstedt, Administrative Services Director *DST*

**DATE:** June 13, 2006 (CC Meeting of 6/21/06)

**SUBJECT:** Consider Resolution for Paying and Reporting the Value of Employer Paid Member Contributions for California Public Employees Retirement System

**BACKGROUND AND DISCUSSION**

Attached to this report is a draft resolution that will confirm the City's practice of payment of member contributions for the California Public Employees Retirement System (CalPERS) pursuant to Section 20691 of the Government Code and also implement a provision of the Memorandum of Understanding (MOU) with the SEIU Local 998 Union (a separate item on the June 21 agenda) to pay and report the value of employer paid member contributions (EPMC) as additional compensation.

The City began paying the CalPERS member contributions for employees in the 1985-86 fiscal year; however, a resolution was not adopted at that time and CalPERS has requested a resolution for its records to confirm the City's existing practice. The attached draft resolution would also initiate a benefit agreed to as a component of the MOU for the competitive service employees. Under Government Code Section 20636(c) and California Code of Regulations Section 571(a)(1), an employer has the option of reporting the value of EPMC to CalPERS as additional compensation. This provision must be adopted and applied equally to everyone in a group or class of employment (such as the competitive service employees group, management group, etc.).

Reporting the value of EPMC is not subject to state and federal income taxes nor Medicare taxes. The cost of reporting the value of EPMC will be an increase in the City's employer and employee contributions due to the increased earnings reported.

The example below demonstrates the method to report the value of EPMC on compensations earnable. The employee in the following CalPERS example has \$5,000 in regular earnings and a second payroll entry of \$50.00 for uniform allowance. The

contribution rate in this example is 7.000% (which is consistent with the City of Moorpark employee rate).

Type of Payroll Entry	Month/Service Period	Pay Code	Pay Rate	Earnings	Contribution Rate	Contribution \$
Normal Payroll Entry	July 2006	01	\$5,000.00	\$5,000.00	7.000%	\$350.00
Special Compensation Entry	July 2006	09	\$50.00	\$50.00	7.000%	\$3.50
Reporting the Value of EPMC	July 2006	09	\$355.25	\$355.25	7.000%	\$24.87
				\$5,430.25		\$380.12

**STAFF RECOMMENDATION**

Adopt Resolution No. 2006-\_\_\_\_\_.

Attachment: Draft Resolution

RESOLUTION NO. 2006-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA, ELECTING TO PAY AND REPORT THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS (EPMC) FOR THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM

WHEREAS, the City Council of the City of Moorpark approved employer payment of member contributions for City employees participating in the California Public Employees' Retirement System beginning in the 1985-86 fiscal year; and

WHEREAS, the City Council of the City of Moorpark has the authority to implement Government Code Section 20636(4) pursuant to Government Code Section 20691; and

WHEREAS, the City Council of the City of Moorpark has a written labor policy or agreement for Competitive Service employees which specifically provides for the normal California Public Employees Retirement System (CalPERS) member contributions to be paid by the employer and reported as additional compensation; and

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the City of Moorpark of a resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EPMC); and

WHEREAS, the City Council of the City of Moorpark has identified the following conditions for the purpose of its election to pay EPMC:

1. This benefit shall apply to all employees and City Councilmembers of the City of Moorpark CalPERS Miscellaneous Membership.
2. This benefit shall consist of paying one hundred percent (100%) of the normal contributions as EPMC, and reporting the same percent (value) of compensation earnable [excluding Government Code Section 20636(c)(4)] as additional compensation.
3. The Council hereby documents and continues its existing practice of payment of member contributions pursuant to Section 20691 of the Government Code, and the effective date of this Resolution for electing to pay and report the value of EPMC shall be the pay period beginning July 15, 2006.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council of the City of Moorpark elects to pay and report the value of EPMC as set forth herein above.

SECTION 2. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED AND ADOPTED this 21st day of June, 2006.

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Patrick Hunter  
Mayor

ATTEST:

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Deborah S. Traffenstedt  
City Clerk