SAN DIEGO COUNTY EMPLOYEES RETIREMENT ASSOCIATION  
MAXIMUM COMPENSATION – CODE SECTION 401(a)(17) POLICY

I. PURPOSE

To affirm that the San Diego County Employees Retirement Association (the "Association") will comply with the requirements of section 401(a)(17) of the Internal Revenue Code of 1986, as amended (the "Code") and to clarify the provisions of Sections 31671 and 7522.42 of the California Government Code.

II. POLICY

Notwithstanding any provision of the Association to the contrary, the Association shall comply with Code section 401(a)(17) (as amended) and any applicable Treasury Regulations thereunder, including, but not limited to, the special rules applicable to pre-July 1, 1996, Members of the Association. For plan years prior to the 2002 plan year, the applicable Code section 401(a)(17) limit shall be $200,000, as adjusted for cost-of-living increases in accordance with Code section 401(a)(17)(B). Effective with respect to plan years beginning on and after July 1, 2002, the annual compensation of a member which exceeds $200,000 (as adjusted for cost-of-living increases in accordance with Code section 401(a)(17)(B)) may not be taken into account in determining benefits or contributions due for any plan year. Annual compensation means compensation during the plan year or such other consecutive 12-month period over which compensation is otherwise determined under the plan (the "Determination Period"). The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the Determination Period that begins with or within such calendar year. If the Determination Period consists of fewer than 12 months, the annual compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the short Determination Period, and the denominator of which is 12. If the compensation for any prior Determination Period is taken into account in determining a Member's contributions or benefits for the current plan year, the compensation for such prior Determination Period is subject to the applicable annual compensation limit in effect for that prior period.

REVIEW

A. 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
August 16, 2018 Reviewed and amended