

ORD. NO. 9521 (NEW SERIES)

AN ORDINANCE REPEALING ORDINANCE NO. 8977 (NEW SERIES) AND
ORDINANCE 9429 (NEW SERIES) RELATING TO DEFERRED COMPENSATION
AND DECLARATING THE URGENCY THEREOF TO TAKE EFFECT
IMMEDIATELY

The Board of Supervisors of the County of San Diego ordains as follows:

Section 1. Ordinance Number 8977 (New Series) and Ordinance Number 9429 (New Series) are repealed.

Section 2. The provisions of Section 1 shall not affect the validity, prior to the effective date of this ordinance, of any deferred compensation plan adopted or amended pursuant to the ordinances repealed by Section 1. All contracts entered into in carrying out the deferred compensation plan adopted and amended pursuant to such ordinances shall remain in effect in accordance with their terms.

Section 3. URGENCY CLAUSE. The Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA") adopted by Congress in 2001 provides for considerable flexibility and liberalization for deferred compensation plans adopted pursuant to section 457 of the Internal Revenue Code. Some of these provisions allow for "rollovers" from other similar plans if so provided in the sponsor's deferred compensation plan. The County previously adopted an amendment to its Section 457 deferred compensation plan providing for the acceptance of rollovers from some, but not all, of the other plans from which rollovers may be accepted under EGGTRA. Nevertheless, it has recently been determined that the County has accepted rollovers from plans not specifically set forth in the previous amendment to the County's deferred compensation plan.

At the same time this ordinance is to be effective, the County is adopting a resolution amending and restating the previous section 457 deferred compensation plan. Under Internal Revenue Code regulations, that resolution will be retroactive to January 1, 2002, however, the old plan must be repealed by the end of 2002 in order for the County's deferred compensation plan to remain qualified. If the plan lost its qualification, there could be severe adverse tax consequences to the thousands of County employees who are members of the plan, thus endangering the ability of employees to save for their retirement, including their health care. Therefore, in order to protect the public peace, health and safety, it is necessary that this ordinance take effect immediately.

PASSED, APPROVED AND ADOPTED this 10th day of December 2002