

# TRUCKEE TAHOE AIRPORT DISTRICT POLICY INSTRUCTION

**PI NUMBER 114**

Effective: August 28, 2003  
Renumbered: May 26, 2011

**SUBJECT: EMPLOYER PAID CALPERS MEMBER CONTRIBUTIONS AND ESTABLISH ANNUAL CONTRIBUTION RATES**

**BACKGROUND:** The California Public Employees' Retirement System (PERS) requires that the District have a written agreement which specifically provides for the normal member contributions to be paid by the employer. Historically the District has paid both the member contributions and the employer contributions to PERS. Due to market fluctuations and changes to the PERS contract the employer rate is reviewed and changed as necessary annually by PERS. As a condition of approving the amendment to the PERS contract for the 2.7% @ 55 benefit schedule in August of 2003, the employees shall participate and share in the cost of the plan.

**POLICY:**

1. The District shall pay the first 8% of required contributions to PERS, the employees shall pay up to the next 8% of required contributions to PERS, and the District shall pay required contributions in excess of 16% to PERS.
2. Employee contributions, if any, shall be counted toward the "member" contribution and shall be tax deferred for income tax purposes in accordance with Internal Revenue Code 414(h)(2).
3. In June of each year PERS determines what the employer's contribution rate shall be for the next fiscal year (July 1 – June 30). The district shall notify the employee members of such determination, which shall not change the operation of paragraph 1 above.
4. At any time there is a change to the PERS contract, the employee sharing rate may be changed.
5. Exhibit A attached will document the historical sharing ratios for the employees and employer for the Truckee Tahoe Airport District in accordance with this policy and Board direction.

**Don Starbard, President**