

Number: **BP 047**

Authority: Board of Directors  
Effective: May 20, 2021  
Revised: June 6, 2023  
Reviewed: June 15, 2023  
Initiating Dept/Div: Administration/Finance



## **BOARD POLICY**

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### **DEFERRED COMPENSATION PLAN**

#### PURPOSE

Central Contra Costa Sanitary District's (Central San's) Deferred Compensation Plan (the Plan) provides a valued employee benefit for its employees and the accumulated fund balance represents a significant monetary value. Accordingly, this policy shall clarify the role, authority, and responsibility of the Board of Directors (Board), the Deferred Compensation Plan Advisory Committee (DCAC), the General Manager, and the Plan Administrator in overseeing and administering the Plan.

#### SCOPE

This policy shall apply to the 457(b) deferred compensation, the 401(a) money purchase, and the retiree Health Reimbursement Arrangement (HRA), which collectively comprise the Plan.

#### BACKGROUND

Central San established the Plan in 1976 after voluntarily withdrawing from participation in the Federal Social Security System. The Plan is administered by the District which has the sole authority to enforce the Plan and is responsible for the operation of the Plan in accordance with its terms. In 1982 the Board established the DCAC to oversee the Plan and facilitate internal administrative matters.

#### POLICY

##### **I. Role of the Board of Directors**

As the governing body of Central San, the Board has fiduciary responsibility for the plan as the sole authority to adopt and amend Plan documents and execute an agreement(s) with record keeper to administer employee retirement benefits covered under the Plan. The Board established the DCAC and delegates operational matters to the General Manager. The Board shall receive an Annual

Report from the DCAC highlighting plan performance and other relevant matters demonstrating fiduciary oversight over the Plan.

## **II. Role of the General Manager**

The General Manager has the sole authority to enact and amend the Deferred Compensation Plan Administrative Procedures (AP), which provides direction and guidance to staff to ensure the directives of the Board and requirements of the Plan are being met. The Administrative Procedures shall provide guidance on the appointment, terms, meetings, and other matters of the DCAC not specifically addressed by this Board Policy. The General Manager shall also be responsible for communicating any changes or important information about the administration of the Plan to the Board and ensuring the Plan Administrator is adequately carrying out their responsibilities.

## **III. Role of the DCAC**

The DCAC shall facilitate the internal administration of the Plan and advise on any major actions impacting the Plan and its participants prior to recommendation to the Board and/or General Manager. It is comprised of Plan participant employees in accordance with the AP enacted by the General Manager. The major roles of the DCAC are described further as follows:

### **1. Internal Administration of the Plan**

The DCAC shall be responsible for developing, maintaining, and adhering to the AP within the provisions of the Plan agreement with the record keeper and Plan fiduciary advisor. The AP will outline protocols for the facilitation of routine business in regard to the Plan and further clarify the roles and responsibilities of the DCAC, Plan Administrator, staff, and record keeper. The AP and any subsequent revisions thereto must be authorized by the General Manager prior to taking effect.

### **2. Participant Education and Outreach**

The DCAC shall oversee participant education and outreach, which will be primarily performed by the record keeper. The DCAC shall identify priorities for participant education and outreach and assist the record keeper in carrying out activities to support these priorities. Certain Plan information including contact information for the Plan Administrator, Plan staff, and record keeper will be maintained on the Plan web page, and Plan staff will periodically review the information for accuracy and relevance. Additionally, the DCAC shall periodically review and assess educational and outreach efforts to ensure employees are adequately informed of Plan benefits, provisions, changes, and other significant matters.

3. Fiduciary Oversight

The DCAC shall act in a fiduciary oversight capacity over the Plan overseeing the activities of the record keeper and working to obtain appropriate value for Plan participants.

4. Unforeseen Emergency Withdrawals

Unless delegated to the record keeper in the Administrative Services Agreement, requests for unforeseen emergency withdrawals of funds from the Plan must be reviewed by the DCAC. Any such withdrawals must be authorized in accordance with the Internal Revenue Code. If the record keeper is delegated the task of reviewing and determining unforeseen emergency withdrawal applications, a participant whose application has been denied shall be offered the opportunity to appeal the decision to the DCAC as described in the underlying AP. The DCAC shall ensure the Plan record keeper administers the review and approval of unforeseen emergency withdrawal applications in a reasonably timely manner, as specified in the record keeping administrative services agreement.

5. Investment Performance

The DCAC shall actively monitor and assess the investment performance of the Plan and select and revise the investment design features of the Plan as necessary. Design features may include the number of and types of investment alternatives available to Plan participants.

6. Annual Report

The DCAC shall submit an Annual Report to the Board which will summarize the Plan's investment performance, education and outreach efforts, and performance of the record keeper. The report will also describe activities of the DCAC and, if applicable, provide recommendations for change to the Plan document.

**IV. Role of the Plan Administrator**

Central San's Finance Manager shall serve as the Plan Administrator, responsible for managing the day-to-day administrative affairs of the Plan including, but not limited to: serving as the primary contact with the record keeper and fiduciary advisor; ensuring participant contributions to the trust are made pursuant to plan and legal requirements; facilitating or overseeing participant services provided by the District or the record keeper to participants, including timely reviews of participant unforeseen emergency withdrawal and loan requests; monitoring and enforcing limits on participant deferrals, catch-ups, loans and unforeseen emergency withdrawals; record keeper representative availability to participants; participant education. The Plan Administrator shall have the authority to sign Plan

documents that have been approved in form by the Board via minute motion or resolution. The Plan Administrator shall also serve as the Chair of the DCAC, responsible for facilitating orderly meetings of the DCAC necessary to comply with this Board Policy and the associated AP enacted by the General Manager. The Human Resources & Organizational Development Manager shall serve as the Deputy Plan Administrator, with all the responsibilities and powers of the Plan Administrator in the event the Finance Manager position is vacant.

*[Original retained by the Secretary of the District]*