The Economic Growth and Tax Relief Reconciliation Act of 2001 (H.R. 1836)

CalPERS Defined Benefit Plans, Replacement Benefits Program, Defined Contribution Plans, and Deferred Compensation Plan Impact *

I. Defined Benefit Plans

This section focuses on the CalPERS DB Plan although these provisions may impact JRS I, JRS II and LRS. Each plan will be reviewed.

Subject	Brief Summary	Effective Date	Why Relevant to CalPERS	Implications to CalPERS
Increase in IRC section 415(b) Dollar Limit Tax Bill Section: 611(a)	The annual dollar limit on the retirement benefit payable from a defined benefit plan is increased to $160,000 for retirement between age 62 and 65. (The previous limit was $90,000, which had been adjusted to $140,000 in 2001 due to changes in the cost of living.) The new limit will be adjusted in $5,000 increments for increases in the cost of living.	Limitation Year ending in 2002 July 2001 - June 2002 Plan Year for CalPERS DB Plan	CalPERS must test members' service retirement benefits against the 415(b) limit and is prohibited from paying any benefit in excess of the limit. If the defined benefit plan benefit must be reduced because it exceeds the limit, CalPERS provides for payment of an amount equivalent to the "excess" benefit amount through the **Replacement Benefits Program**.	Significantly reduces the number of current and future retired members who earn benefits that exceed the limit during the years the higher limit is in effect, thereby decreasing the excess benefits to be paid through the **Replacement Benefits Program.** Should result in decreased workload and minor administrative savings.

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CalPERS Defined Benefit Plans, Replacement Benefits Program, Defined Contribution Plans, and Deferred Compensation Plan Impact *

I. Defined Benefit Plans

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Subject	Brief Summary	Effective Date	Why Relevant to CalPERS	Implications to CalPERS
IRC section 415(b) Dollar Limit applicable to Benefits payable at Age 62 for all Members Tax Bill Section: 611(a)	The actuarial reduction in the benefit limit for early retirement by non-safety employees who became members on and after January 1, 1990, is made the same as for non-safety employees who became members prior to that date. The $75,000 floor for retirement between age 55 and 62 is eliminated. This has no impact as the new limits between ages 55 and 62 are higher than $75,000.	Limitation Year ending in 2002 July 2001 - June 2002 Plan Year for CalPERS DB Plan	The CalPERS Board of Administration exercised the grandfather election to protect the benefits accrued to those who became members prior to January 1, 1990.	Individuals who became members after 1989 will be less likely to have their retirement benefits limited during the years the new provision is in effect. The same set of retirement benefit limits will apply to those who became members prior to 1990 and those who became members after 1989 as long as this change is in effect. However, those who became members prior to 1990 may retain the protection that their benefits will be no less than the accrued benefit under the plan provisions in effect on October 14, 1987. Simplifies testing and benefit calculation.

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CalPERS Defined Benefit Plans, Replacement Benefits Program, Defined Contribution Plans, and Deferred Compensation Plan Impact *

I. Defined Benefit Plans

This section focuses on the CalPERS DB Plan although these provisions may impact JRS I, JRS II and LRS. Each plan will be reviewed.

Subject	Brief Summary	Effective Date	Why Relevant to CalPERS	Implications to CalPERS
Increase in IRC section 401(a)(17) Compensation Limit Tax Bill Section: 611(c)	The annual compensation limit is increased to \$200,000. (The previous limit was \$150,000, adjusted to \$170,000 in 2001 due to changes in cost of living.) The limit will be adjusted in \$5,000 increments for increases in cost of living. (The limit applies only to new members after 6/30/1996.)	Plan Year beginning in 2002 July 2002 - June 2003 Plan Year for CalPERS DB Plan	CalPERS uses the member's "final compensation" to calculate a monthly allowance. Final compensation is derived from the member's "creditable compensation" as reported by the employer. The annual creditable compensation that can be reported for a member who first became a member after June 30, 1996 is limited by IRC section 401(a)(17).	The increase in the amount of creditable compensation that can be taken into consideration in calculating a benefit will have an immediate impact on employer reporting and benefit calculations during the years that this limitation is in effect. This will increase allowances where the members' final compensation would have been limited by the previous limit.

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CalPERS Defined Benefit Plans, Replacement Benefits Program, Defined Contribution Plans, and Deferred Compensation Plan Impact *

I. Defined Benefit Plans

This section focuses on the CalPERS DB Plan although these provisions may impact JRS I, JRS II and LRS. Each plan will be reviewed.

Subject	Brief Summary	Effective Date	Why Relevant to CalPERS	Implications to CalPERS
Purchase Service Credits Under Governmental Defined Benefit Plans Tax Bill Section: 647 (Note: Employee contributions to governmental plans for purchase of "permissive service credit" are subject to IRC section 415(n).)	State and local government employees may transfer funds from an IRC section 403(b) tax-sheltered annuity or IRC section 457 deferred compensation plan to purchase service credit.	Transfers of funds made after December 31, 2001	CalPERS currently can accept plan-to-plan transfers from only "qualified" retirement plans (IRC section 401(a) and 401(k) plans) for the purchase of permissive service credit.	Could significantly increase some members' ability to purchase permissive service credit by permitting them to use funds accumulated in their IRC section 403(b) as a rollover or plan-to-plan transfer, or a 457 plan through a direct plan-to-plan transfer. This will likely increase the number of requests for service credit purchases. Does not expand the types of service credit that may be purchased and is subject to approval by CalPERS.

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The Economic Growth and Tax Relief Reconciliation Act of 2001 (H.R. 1836)

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II. Defined Contribution Plans				
Subject	**Brief Summary**	**Effective Date**	**Why Relevant to CalPERS**	**Implications to CalPERS**
Increase in IRC section 415(c) Limit on Aggregate Annual Additions Tax Bill Sections: 611(b) and (h) (Note: Annual additions do not include rollovers or investment income.)	The dollar limit on annual additions (contributions) is increased to $40,000. (The limit was $30,000, adjusted to $35,000 in 2001 due to changes in cost of living.) Cost-of-living adjustments will be in $1,000 increments. The percentage-of-pay limit on annual additions is increased to 100% of the participant's annual compensation. (The limit was 25% of compensation.) The actual contribution limit is the lesser of either the dollar limit or the percentage of pay limit.	2002 Plan Year (January - December)	CalPERS administers two "qualified" defined contribution plans: the Peace Officers' and Firefighters' Defined Contributions (POFF DC) Plan and the Supplemental Contributions Program (SCP). CalPERS or its third-party administrator must obtain information on each participant's annual additions to qualified defined contribution plans offered by the employer to ensure that the participant's annual additions do not exceed the limit and return any contributions in excess of the limit.	Participants in the POFF DC Plan or SCP will be able to contribute a greater amount each year the new limit is in effect. Fewer participants are likely to contribute an amount in excess of the limit in any year, thereby reducing the workload associated with adjusting for excess contributions. Investment of the increased assets resulting from the additional contributions could potentially increase earnings and reduce the portion of ongoing administrative costs charged to individual POFF DC Plan and SCP accounts

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II. Defined Contribution Plans

Subject	Brief Summary	Effective Date	Why Relevant to CalPERS	Implications to CalPERS
Increase in IRC section 401(a)(17) Compensation Limit Tax Bill Section: 611(c)	A defined contribution plan may not base contributions on compensation in excess of the compensation limit. The annual compensation limit is increased to $200,000. (The previous limit was $150,000, adjusted to $170,000 in 2001 due to changes in cost of living.) The limit will be adjusted in $5,000 increments for increases in cost of living.	Plan Year beginning in 2002	CalPERS administers two "qualified" defined contribution plans: the Peace Officers' and Firefighters' Defined Contributions (POFF DC) Plan and the Supplemental Contributions Program (SCP)	The increase in the amount of compensation that can be taken into consideration will positively impact participants by increasing the amount of contributions that are permissible under this provision.

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CalPERS Defined Benefit Plans, Replacement Benefits Program, Defined Contribution Plans, and Deferred Compensation Plan Impact *

III. Public Agency 457 Deferred Compensation Plan				
Subject	**Brief Summary**	**Effective Date**	**Why Relevant to CalPERS**	**Implications to CalPERS**
Increase in Annual Contribution Dollar Limit Tax Bill Section: 611	The current annual dollar limit for IRC section 457 deferred compensation plans is $8,500 and will be raised as follows: <u>Year</u> <u>Limit</u> 2002 $11,000 2003 $12,000 2004 $13,000 2005 $14,000 2006 $15,000 The limit is indexed in $500 increments starting in 2007.	Tax Years beginning in 2002	CalPERS administers an IRC section 457 deferred compensation plan for employees of participating public agencies.	Allows participants to defer more money during the years the increased limits are in effect, thereby increasing funds available for their retirement. Could potentially increase funds available for investment and reduce the impact of administrative fees on individual participant accounts. **Note:** The third-party administrator, CitiStreet, has a special task force in place to analyze and implement appropriate changes to the 457 Plan in cooperation with CalPERS.

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III. Public Agency 457 Deferred Compensation Plan				
Subject	**Brief Summary**	**Effective Date**	**Why Relevant to CalPERS**	**Implications to CalPERS**
Elimination of Coordinated Dollar Limits Tax Bill Section: 615(a)	The dollar limit on elective deferrals to a 457 plan is no longer reduced by any deferrals under an IRC section 403(b) tax-sheltered annuity or 401(k) plan. However, contributions to more than one plan would decrease the includible compensation. Please see next page titled "Increase in Percentage of Compensation Limit" for more information.	Tax Years beginning in 2002	CalPERS administers an IRC section 457 deferred compensation plan for employees of participating public agencies.	Eliminates a significant contribution limit and allows participants to contribute up to the maximum amount to the Public Agency 457 Plan without regard to their contributions to an IRC section 403(b) or 401(k) plan. The third-party administrator will be required to monitor deferrals to ensure that the 100% of includible compensation limit is not exceeded.

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CalPERS Defined Benefit Plans, Replacement Benefits Program, Defined Contribution Plans, and Deferred Compensation Plan Impact *

III. Public Agency 457 Deferred Compensation Plan

Subject	Brief Summary	Effective Date	Why Relevant to CalPERS	Implications to CalPERS
Increase in Percentage of Compensation Limit Tax Bill Section: 632	The percentage of compensation limit is increased to 100% of the participant's annual includible compensation from 33-1/3%. The annual contribution limit is the lesser of the dollar limit or the percentage of includible compensation limit. Elective deferrals to an IRC section 457, 401(k) or 403(b) plan will decrease includible compensation.	Tax Years beginning in 2002	CalPERS administers an IRC section 457 deferred compensation plan for employees of participating public agencies.	Allows a participant to defer more money during the years the increased limit is in effect, thereby increasing the participant's funds available for retirement. Could potentially increase funds available for investment and reduce the impact of administrative fees on individual participant accounts. The third-party administrator will be required to monitor deferrals to ensure that the 100% of includible compensation limit is not exceeded.

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III. Public Agency 457 Deferred Compensation Plan

Subject	Brief Summary	Effective Date	Why Relevant to CalPERS	Implications to CalPERS
Additional Catch-Up Provision Tax Bill Section: 631(a)	Participants who are age 50 or older may contribute more than the maximum annual deferral amount under a special "catch-up" as follows: Year / Catch-Up Limit / Total Max. Annual Limit 2002 $1,000 $12,000 2003 2,000 14,000 2004 3,000 16,000 2005 4,000 18,000 2006 5,000 20,000 The limit is indexed in $500 increments starting in 2007. These special catch-up contributions may not be made in the same year as the 3 years of salary deferral catch-up prior to retirement.	Tax Years beginning in 2002	CalPERS administers an IRC section 457 deferred compensation plan for employees of participating public agencies. Eligible participants in the plan would be able to take advantage of the more liberal "catch-up" provisions.	Allows participants who are age 50 or older to defer larger amounts. Could potentially increase funds available for investment and reduce the impact of administrative fees on individual participant accounts. The IRS is expected to provide guidance.

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III. Public Agency 457 Deferred Compensation Plan				
Subject	**Brief Summary**	**Effective Date**	**Why Relevant to CalPERS**	**Implications to CalPERS**
Salary Deferral "Catch-Up" Rule Tax Bill Section: 611(e)	The cap on the "catch-up" formula of $15,000 is increased to double the amount of the normal contribution limit so that the potential catch-up reaches $30,000 (equal to $15,000 normal contribution limit plus additional $15,000 catch-up provision) in 2006.	Tax Years beginning in 2002	CalPERS administers an IRC section 457 deferred compensation plan for employees of participating public agencies. Eligible participants in the plan would be able to take advantage of increased deferrals during their last three years before retirement.	Allows participants who were unable to contribute up to the annual limit for past years to make up missed deferral opportunities by electing to defer a larger amount in the three years prior to retirement. Could potentially increase assets for the Public Agency 457 Plan. IRS will provide guidance.
Minimum Distributions Tax Bill Section: 649	The special pre-death and post-death distribution rules are repealed. This means that 457 plans need only comply with the "required minimum distribution rules" applicable to qualified plans.	Distributions after December 31, 2001	CalPERS administers an IRC section 457 deferred compensation plan for employees of participating public agencies.	The distribution rules applicable to CalPERS Public Agency 457 Plan will be the same as those applicable to other qualified plans administered by CalPERS.

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III. Public Agency 457 Deferred Compensation Plan				
Subject	**Brief Summary**	**Effective Date**	**Why Relevant to CalPERS**	**Implications to CalPERS**
Tax Credit for Low and Middle Income Savers Tax Bill Sections: 618 and 25(B)	Eligible individuals who contribute to an IRC section 401(k), 403(b) or 457 plan or IRA are provided a temporary nonrefundable tax credit. The credit will be claimed on the tax return and applies to the first $2,000 in contributions based on the following adjusted gross income table: <u>Credit</u> <u>Individual</u> <u>Joint</u> 50% $0-15K $0-30K 20% $15-16.25K $30-32.5K 10% $16.25-25K $32.5-50K	Calendar Years beginning January 1, 2002 through December 31, 2006	CalPERS administers an IRC section 457 deferred compensation plan for employees of participating public agencies.	There is no administrative workload associated with this provision. Expect guidance from the IRS to help explain credits. Will provide incentive for lower-income employees to contribute to the CalPERS Public Agency 457 Plan.

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III. Public Agency 457 Deferred Compensation Plan				
Subject	**Brief Summary**	**Effective Date**	**Why Relevant to CalPERS**	**Implications to CalPERS**
Continued: Tax Credit for Low and Middle Income Savers	The credit is a percent of the contribution and the maximum credit amount is $1,000. The credit is in addition to any deduction or exclusion that would otherwise apply with respect to the contribution. The credit offsets both minimum and regular tax liability. The credit is reduced by taxable distributions.			

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III. Public Agency 457 Deferred Compensation Plan

Subject	Brief Summary	Effective Date	Why Relevant to CalPERS	Implications to CalPERS
Tax Treatment of Benefits in the Event of a Community Property Split Tax Bill Section: 635	The qualified domestic relations order rules and special tax treatment of community property distributions of qualified plan benefits are extended to IRC section 457 plans. Prior to this act, the spouse or former spouse was not taxed on distributions from a 457 plan as a result of a division of community property. The participant was held liable for taxes on the entire distribution.	Transfers, distributions and payments made after December 31, 2001	CalPERS administers an IRC section 457 deferred compensation plan for employees of participating public agencies.	The former spouse and the participant will each be taxed on his or her own portion of the benefit. The third-party administrator will be responsible for bringing the Public Agency 457 Plan into compliance with the law. IRS will provide guidance.

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III. Public Agency 457 Deferred Compensation Plan				
Subject	**Brief Summary**	**Effective Date**	**Why Relevant to CalPERS**	**Implications to CalPERS**
Repeal of Constructive Receipt Rule Tax Bill Section: 649	Benefits in an eligible IRC section 457 plan are subject to taxation when the amounts are paid or made available, which is referred to as "constructive receipt." The constructive receipt requirement is repealed.	Distributions made after December 31, 2001	CalPERS administers an IRC section 457 deferred compensation plan for employees of participating public agencies.	The "one-time" irrevocable distribution election" requirement for distributions is repealed thereby eliminating the need for the participant to make a one-time irrevocable election to delay distribution in order to avoid current taxation. Revisiting past irrevocable elections could entail increased administrative workload. This change increases the attractiveness of the Public Agency 457 Plan by making distributions from 457 plans as flexible as from tax-qualified 401(a) plans.

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IV. Rollovers Amongst Various Types of Retirement Plans and IRAs

Subject	Brief Summary	Effective Date	Why Relevant to CalPERS	Implications to CalPERS
Expansion of Rollover Provisions Tax Bill Sections: 641 – 644	Eligible rollover distributions may be rolled over to qualified retirement plans (IRC section 401(a) defined benefit and defined contribution plans and 401(k) plans), IRC section 403(b) tax-sheltered annuities, IRC section 457 deferred compensation plans generally and Individual Retirement Accounts (IRAs). Qualified plans, 403(b) and 457 plans, are not required to accept rollovers. After-tax contributions may be rolled over to a traditional IRA or other qualified plan under a direct rollover.	Distributions made after December 31, 2001	The POFF DC Plan and the SCP do not currently accept inbound rollovers, but they do provide for outbound rollovers to IRAs and other eligible plans. The Public Agency 457 Deferred Compensation Plan currently accepts inbound transfers only from other 457 plans and outbound rollovers only to other 457 plans. The CalPERS DB Plan currently accepts rollovers from eligible retirement plans for members for a variety of service credit purchases and adjustments.	Greatly expands the portability of benefits among various types of retirement and savings plans. Could result in either significant increases or decreases to the assets held in CalPERS plans. Record keeping will become more complex for the CalPERS DB plan due to the separation of after-tax and pre-tax contributions, especially if the after-tax rollovers funds must be maintained separate from other after-tax funds in member accounts. Significant system changes may then be required. Will likely increase the workload associated with rollovers and service credit purchases. If the POFF DC Plan and 457 Plan are amended to accept rollovers of after-tax contributions, record keeping will become more complex for the third-party

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IV. Rollovers Amongst Various Types of Retirement Plans and IRAs				
Subject	**Brief Summary**	**Effective Date**	**Why Relevant to CalPERS**	**Implications to CalPERS**
Continued: Expansion of Rollover Provisions Tax Bill Sections: 641 – 644	A qualified plan may not accept after-tax rollovers unless the plan separately accounts for such contributions and earnings. After-tax contributions (including nondeductible contributions) to an IRA can not be rolled over to a qualified plan, 403(b) or 457 plan. Surviving spouses may roll over distributions to a qualified plan, 403(b) plan or governmental 457 plan in which the spouse participates.		Rollovers are not presently accepted from IRC section 403(b) or 457 plans, or IRAs (except conduit IRAs containing only funds from an eligible plan). The SCP currently accepts only after-tax member contributions.	administrator due to the requirement to account separately for after-tax and pre-tax contributions. Rollover forms for incoming rollovers will need to be revised. Could increase competition among different defined contribution and deferred compensation plans to attract rollovers. IRC section 401(a), 401(k) and 403(b) plans are subject to a 10% penalty tax for early withdrawals while 457 plans are exempt. Accordingly, a 457 plan accepting rollovers from those plans will have to separately account for such rollovers.

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IV. Rollovers Amongst Various Types of Retirement Plans and IRAs				
Subject	**Brief Summary**	**Effective Date**	**Why Relevant to CalPERS**	**Implications to CalPERS**
<u>Continued:</u> Expansion of Rollover Provisions Tax Bill Sections: 641 – 644	In general, early distributions from governmental IRC section 457 plans continue to be exempt from the 10% penalty tax. Periodic distributions from governmental section 457 plans that are not trustee-to-trustee rollover distributions are subject to 10% withholding.			

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Subject	Brief Summary	Effective Date	Why Relevant to CalPERS	Implications to CalPERS
Written Rollover Notice IRC 402(f) Tax Bill Section: 645	All plans are required to provide a written explanation to the participant that must describe the differences in the restrictions and tax consequences of the distribution for the plan receiving the rollover. No plan will be penalized for failure to provide the required rollover information within 90 days of the issuance of the safe harbor rollover notice.	Distributions made after December 31, 2001	All CalPERS plans allow for outbound rollovers with the current exception of the IRC section 457 Plan for Public Agencies. In accordance with existing law governing IRC section 457 plans, the Public Agency 457 Plan provides only for "plan-to-plan transfers" to other 457 plans and accepts only transfers from other 457 plans.	The third party administrator of the defined contribution plans and CalPERS staff will have to understand the restrictions and tax consequences of distributions applicable to the plan receiving the rollover to provide proper notice to the participant upon distribution. Rollover notices for all plans will have to be revised, and now will also have to be provided by the 457 plan.

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Subject	Brief Summary	Effective Date	Why Relevant to CalPERS	Implications to CalPERS
Contributory IRA Rollovers Tax Bill Section: 641	Amounts in a contributory IRA may be rolled over to qualified plans, an IRC section 403(b) tax-sheltered annuity, an IRC section 457 deferred compensation plan or another IRA.	Distributions made after December 31, 2001	In accordance with existing federal statute, CalPERS does not currently accept rollovers from contributory IRAs to any of its plans. CalPERS administers an IRC section 457 deferred compensation plan for employees of participating public agencies, which does not currently accept rollovers into the plan from any IRAs.	Would have the potential to substantially increase all CalPERS defined contribution plan assets. The POFF DC Plan and SCP would first need to be amended to accept inbound rollovers. Provides another source of funds for members to purchase permissive service credit in the CalPERS defined benefit plans.

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IV. Rollovers Amongst Various Types of Retirement Plans and IRAs				
Subject	**Brief Summary**	**Effective Date**	**Why Relevant to CalPERS**	**Implications to CalPERS**
Automatic Rollover of Small Distributions to IRAs Tax Bill Section: 657	Requires that inactive accounts in excess of $1,000 and less than $5,000 be cashed-out to an IRA, as designated by the administrator, unless the recipient directs otherwise.	Effective for distributions that occur after the Department of Labor (DOL) adopts final regulations. The DOL is required to adopt final regulations no later than 3 years after the June 7, 2001 enactment date.	CalPERS administers an IRC section 457 deferred compensation plan for employees of participating public agencies, which provides for involuntary cashouts that may be subject to this provision. It is unclear whether this provision will apply to public retirement plans. If so, could require a CalPERS plan that applies the cashout rules to roll over distributions of amounts between $1,000 and $5,000 to a designated IRA, unless the payee affirmatively elects to receive the distribution.	Could have significant administrative and fiduciary implications for the Public Agency 457 Plan. (More information is needed and will be provided once the DOL regulations are issued.)

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IV. Rollovers Amongst Various Types of Retirement Plans and IRAs

Subject	Brief Summary	Effective Date	Why Relevant to CalPERS	Implications to CalPERS
Disregard Rollovers for Cash-Out Purposes Tax Bill Section: 648	For purposes of calculating the $5,000 cash-out amount, a plan need not count any amount rolled over from another plan or IRA.	Distributions made after December 31, 2001	CalPERS administers an IRC section 457 deferred compensation plan for employees of participating public agencies, which provides for mandatory cash-outs.	In order to take advantage of this provision the third-party administrator for the Public Agency 457 Plan would be required to track rollover amounts for purposes of determining the $5,000 cash-out threshold.

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The Economic Growth and Tax Relief Reconciliation Act of 2001 (H.R. 1836)

CalPERS Defined Benefit Plans, Replacement Benefits Program, Defined Contribution Plans, and Deferred Compensation Plan Impact *

IV. Rollovers Amongst Various Types of Retirement Plans and IRAs				
Subject	**Brief Summary**	**Effective Date**	**Why Relevant to CalPERS**	**Implications to CalPERS**
Waiver of the 60-day Rollover Rule Tax Bill Section: 644	Provides that the limited 60-day rollover period may be waived by the U.S. Secretary of the Treasury in case of certain events beyond the control of the individual. The Internal Revenue Service is expected to provide guidance to include objective standards for a waiver.	Distributions made after December 31, 2001	The CalPERS Defined Benefit Plan accepts rollovers for the purchase of service credit subject to the 60-day rule.	To the extent that waivers are made to the 60-day rollover rule, there will be an increase in the number of rollovers causing an increase in workload. A waiver of the 60-day rollover rule would provide staff more flexibility in accepting rollovers for purchase of service credit.

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CalPERS Defined Benefit Plans, Replacement Benefits Program, Defined Contribution Plans, and Deferred Compensation Plan Impact *

V. Deemed IRAs Under Employer Plans

Subject	Brief Summary	Effective Date	Why Relevant to CalPERS	Implications to CalPERS
Deemed IRAs Under Employer Plans Tax Bill Section: 602	If a qualified plan, 457 or 403(b) plan so provides, participants may voluntarily contribute to a separate account or annuity that (1) is established under the plan, and (2) meets the requirements applicable to an IRA or Roth IRA. The separate account or annuity is deemed a traditional IRA or a Roth IRA, as applicable, for all purposes of the code. For example, the reporting requirements applicable to IRAs apply. The "deemed" IRA and contributions are not subject to the Code rules pertaining to the associated eligible retirement plan.	Plan Years beginning in 2003 (January 2003 for the SCP and POFF DC Plan, and July 2003 for the CalPERS DB Plan)	CalPERS could establish a "deemed" IRA for each eligible retirement plan. Eligible CalPERS plans include the CalPERS Defined Benefit Plan, the Legislators' Retirement System, the Judges' Retirement System, the Judges' Retirement System II, the Peace Officers' and Firefighters' Defined Contribution Plan, the Supplemental Contributions Program and the Public Agency 457 Plan.	More information is needed to determine implications for CalPERS.

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The Economic Growth and Tax Relief Reconciliation Act of 2001 (H.R. 1836)

CalPERS Defined Benefit Plans, Replacement Benefits Program, Defined Contribution Plans, and Deferred Compensation Plan Impact *

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