



Policy Number:	5140
Policy Title:	Deferred Compensation Policy

1. The Fair Oaks Water District Deferred Compensation Plan (Plan), established and adopted by the Board on August 8, 2011, for the sole benefit of its Eligible Employees is hereby amended and restated by the Board on June 1, 2022.
 - 1.1. Annual contribution rates are determined by the Internal Revenue Service (IRS). Contributions are made by employees via payroll deduction.
 - 1.2. An annual employer matching contribution of \$0.00 - \$2,000.00 by the Fair Oaks Water District will be implemented effective July 1, 2022, with the first annual employer matching contribution being distributed to eligible employees in the first payroll period of January 2023.
 - 1.2.1. Annual employer matching contributions by the Fair Oaks Water District on behalf of an individual employee will be provided in the first payroll period of the following calendar year.
 - 1.2.2. Employee voluntary contributed amounts up to \$2,000.00 in one calendar year, will be matched in kind, in the first pay period of the next calendar year.
 - 1.2.3. All contributions to the Plan are Federal and State tax deferred.
 - 1.2.4. Once deposited, annual employer matching contributions shall become 100% vested and will be treated in the same manner as elective salary deferrals for all purposes under the Plan.
 - 1.2.5. Employees are responsible for determining and ensuring the voluntary Deferred Compensation contributions for the year do not exceed applicable IRS limitations.
 - 1.3. The Board may, at any time and without limitation, terminate or reduce any employer matching contributions made to the Plan. No person will have any “vested right” under California or Federal law to have the Board make any employer matching contributions to the Plan.