



**RESOLUTION OF THE BOARD OF DIRECTORS OF  
COMPASS CHARTER SCHOOLS**

Board Resolution 2019-01  
CCS of Yolo CalSTRS Membership

The Board of Directors (“Board”) of Compass Charter Schools (“Compass”), a tax exempt, California nonprofit public benefit corporation operating public charter schools, does hereby adopt the following resolution pursuant to the provisions of the California Constitution:

WHEREAS, the Compass Charter Schools Board of Directors has the authority to implement the provisions of Internal Revenue Code (IRC) section 414(h)(2); and

WHEREAS, the Teachers’ Retirement Board of the California State Teachers’ Retirement System (CalSTRS) adopted its resolution of IRC section 414(h)(2) on May 17, 1985; and

WHEREAS, the Internal Revenue Service has stated on August 27, 1985, that the implementation of the provisions of IRC section 414(h)(2) pursuant to the resolution of the Teachers' Retirement Board would satisfy the legal requirements of IRC section 414(h)(2); and

WHEREAS, Compass Charter Schools Board has determined that even though the implementation of the provisions of IRC section 414(h)(2) is not required by law, the tax benefit offered by IRC section 414(h)(2) should be provided to its employees who are members of CalSTRS.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors hereby adopts the foregoing resolution.

BE IT FURTHER RESOLVED, that the Compass Charter Schools Board of Directors will implement the provisions of IRC section 414(h)(2) by making employee contributions to CalSTRS on behalf of its employees who are members of CalSTRS. “Employees contributions” shall mean those contributions to CalSTRS which are deducted from the salary of employees and are credited to individual employees’ accounts; and

BE IT FURTHER RESOLVED, that the contributions made by Compass Charter Schools to CalSTRS, although designated as employee contributions, are being paid by Compass Charter Schools in lieu of contributions by the employees who are members of CalSTRS; and

BE IT FURTHER RESOLVED, that employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by Compass Charter Schools to CalSTRS; and

BE IT FURTHER RESOLVED, that Compass Charter Schools shall pay to CalSTRS the contributions designated as employee contributions from the same source of funds as used in paying salary.

BE IT FURTHER RESOLVED, that the amount of the contributions designated as employee contributions and paid by Compass Charter Schools to CalSTRS on behalf of an employee shall be the entire contribution required of the employee by the Teachers' Retirement Law (California Education Code sections 22000 et seq.); and

BE IT FURTHER RESOLVED, that the contributions designated as employee contributions made by Compass Charter Schools to CalSTRS shall be treated for all purposes, other than taxation, in the same way that member contributions are treated by CalSTRS; and

BE IT FURTHER RESOLVED, that Compass Charter Schools shall make no contributions designated as employee contributions until CalSTRS has developed and implemented procedures for administering the provisions of IRC section 414(h)(2) and until CalSTRS has officially notified Compass Charter School Schools that it will accept contributions pursuant to IRC section 414(h)(2); and

BE IT FURTHER RESOLVED, that this resolution is effective as of August 1, 2019; and

BE IT FURTHER RESOLVED, that the Superintendent & CEO hereby is authorized to certify this resolution.

\* \* \*

IN WITNESS WHEREOF, the Board of Directors has adopted the above resolution at a regular Board meeting this 26<sup>th</sup> day of September, 2019.

By: \_\_\_\_\_  
J.J. Lewis, Superintendent & CEO