

SAN DIEGO COUNTY EMPLOYEES RETIREMENT ASSOCIATION
EXCLUSIVE BENEFIT AND REVERSIONS – CODE SECTION 401(a)(2) POLICY

I. PURPOSE

To clarify that, in accordance with section 401(a)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), the corpus or income of the trust fund of the San Diego County Employees Retirement Association (the "Association") may not be diverted to or used for other than for the exclusive benefit of members and beneficiaries, prior to the satisfaction of all liabilities under the Association and to clarify Section 31588.2 of the California Government Code.

II. POLICY

Notwithstanding any other provision of law, no fund in the retirement fund shall be expended for any purpose other than the expense of administration of the system, investments for the benefit of the system, and the provision of benefits to the Members and retired Members of the system and their survivors and beneficiaries; provided, however, that reversions will be permitted to the extent allowed under the Code and any related guidance thereunder, including, but not limited, to, a mistake of fact as permitted under applicable Internal Revenue Service guidance.

REVIEW

This policy shall be reviewed by the Board at least every three (3) years and may be amended at any time.

HISTORY

June 7, 2012	Adopted, effective immediately
June 4, 2015	Reviewed, no changes