

RESOLUTION NO. 45-2007

Offered by All of Council

A RESOLUTION THAT THE VILLAGE OF RICHFIELD WILL PICK UP THE STATUTORILY REQUIRED CONTRIBUTION TO THE OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM FOR THE EMPLOYEES OF THE VILLAGE OF RICHFIELD PURSUANT TO INTERNAL REVENUE CODE SECTION 414(h)(2)

WHEREAS, pursuant to federal and Ohio laws, the federal and state income taxes on a portion of the wages or salaries of the employees of the Village of Richfield will be deferred if the Village of Richfield “picks up” (assumes and pays) the contributions statutorily required by such elected officials and covered employees to Ohio Public Employees Retirement System (OPERS); and

WHEREAS, the Village of Richfield will not incur any additional costs in the picking up of such contributions.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Village of Richfield, Summit County, State of Ohio:

- SECTION 1. That effective 9/18, 2007, the full amount of the statutorily required employee contributions to OPERS shall be withheld from the gross pay of each person within any of the classes established in Section 2 herein and shall be “picked up” (assumed and paid to OPERS) by the Village of Richfield. This “pick up” by the Village of Richfield shall be designated as public employee contributions and shall be in lieu of contributions to OPERS by each person within any of the classes established in Section 2 herein. No person subject to the “pick up” shall have the option of choosing to receive the statutorily required contribution to OPERS directly instead of having it “picked up” by the Village of Richfield or of being excluded from the “pick up.” The Village of Richfield shall, in reporting and making remittance to OPERS, report that the public employees contribution for each person subject to the “pick up” has been made as provided by the statute. Therefore, contributions, although designated as employee contributions, are employer-paid, and employees do not have the option to receive the contributions directly. All contributions are paid by the employer directly to the plan.
- SECTION 2. The “pick up” by the Village of Richfield provided by this Resolution shall apply to all persons that are employees of the Village of Richfield who are or become contributing members of OPERS.
- SECTION 3. The Village of Richfield’s method of payment of salary to employees who are participants in OPERS is hereby modified as follows, in order to provide for a salary reduction pick up of employee contributions to OPERS.
- SECTION 4. The total salary for each employee shall be the salary otherwise payable under the Village of Richfield’s policies. Such total salary of each employee shall be

payable by the Village of Richfield in two parts: (a) deferred salary and (b) cash salary. An employee's deferred salary shall be equal to that percentage of that employee's total salary which is required from time to time by OPERS to be paid as an employee contribution by that employee, and shall be paid by the Village of Richfield to OPERS on behalf of that employee as a pick up and in lieu of the OPERS employee contribution otherwise payable by that employee. An employee's cash salary shall be equal to that employee's total salary less the amount of the pick up for that employee, and shall be payable, subject to applicable payroll deductions, to that employee. The Village of Richfield shall compute and remit its employer contributions to OPERS based upon an employee's total salary. The total combined expenditures of the Village of Richfield for such employees' total salaries payable under applicable Village of Richfield policy and the pick-up provisions of this Resolution shall not be greater than the amounts it would have paid for those items had this provision not been in effect.

SECTION 5. The Finance Director is hereby authorized and directed to implement the provisions of this Resolution to institute the "pick up" of the statutorily required contributions to OPERS for those persons reflected in Section 2 herein so as to enable them to obtain the result in federal and state tax deferments.

SECTION 6. This Resolution shall take effect and be in force from and after the earliest period allowed by law.

PASSED: 9/18/07




President of Council



Mayor

Dated: 9/18/07

ATTEST:



Clerk of Council