

RESOLUTION NO. 46-97

BE IT RESOLVED by the Township Trustees of Union Township, Butler County, Ohio that:

To Establish a Salary Reduction Program for the Payment of the Purchase of Service Credit to the Public Employees Retirement System of Ohio for Eligible Employees

WHEREAS, pursuant to federal and Ohio laws, the employees of Union Township could defer certain federal and state income taxes on a portion of their compensation which would otherwise be used to purchase additional retirement service credits to the Public Employees Retirement System of Ohio if Union Township would establish a plan whereby such employees could reduce their compensation:

NOW, THEREFORE, it is hereby resolved that,

Secion 1. Effective for wages earned on or after November 2, 1997, any employee of the Township who is a participant in the Public Employees Retirement System of Ohio and who is otherwise eligible to purchase any form of permissive service credit in the Public Employees Retirement System of Ohio may elect to have the Township "pick up", i.e., assume and pay for, the purchase of additional service credit on the basis of payroll deduction in accordance with Ohio Administrative Code #145-9-08, provided that employees electing such "pick up" by the Township may only participate in such program by irrevocably agreeing to a reduction in such employee's compensation equal to the amount of the payroll deduction for the applicable period. The contributions so picked up shall be treated as employer contributions in determining tax treatment under the Internal Revenue Code. The election of reduction must be made by the employee before the start of the first payroll period for which the reduction will take effect. Once having elected such reduction, the employee may not decrease or increase such payroll deduction or terminate such payroll reduction until the earlier of the completion of the purchase of service credit in the amount originally elected or until the employee terminates employment with the Township. Once having elected to participate in the wage reduction program, an employee shall not have any option to choose to receive the "pick up" contribution directly. The amount of the salary reduction shall be considered as if it was wages in computing the current employer or employee contributions to PERS for current wages. The total combined expenditures by the Township for any electing employee when taken together with the amount of the pick up shall not be greater than the amounts which would have been paid to the employee had this election not been in effect.

Section 2. The Clerk is hereby authorized and directed to implement the provisions of this Resolution to institute the "pick up" of the purchase of service credit to the Public Employees Retirement System of Ohio for those employees who irrevocably elect a reduction in the compensation in the applicable amounts for the applicable payroll periods.

Adopted the 28th day of October, 19 97

Thomas I. Hayden
Thomas I. Hayden

Jose Alvarez
Jose Alvarez

Catherine Stoker
Catherine Stoker
Township Trustees

Attest: Patricia Williams
Township Clerk