

Resolution No. 20-2 06-03, 2020

**RESOLUTION OF THE RICH COUNTY BOARD OF
COUNTY COMMISSIONERS ADOPTING THE UTAH
RETIREMENT SYSTEMS TIER II PUBLIC SAFETY
AND FIRE FIGHTERS EMPLOYER PICKUP OPTION**

WHEREAS, in 2020, the Utah State Legislature passed SB 56, which modified Utah Code Ann. § 49-23-301 to allow participating employers, under the Tier II Hybrid Retirement System for public safety employees, to elect to pay all or part of the required employee contribution on behalf of the employee as an employer pick up under 26 U.S.C. 414(h); and

WHEREAS, SB 56 also modified Utah Code Ann. § 49-23-401 to require employers who make the election under § 49-23-301 to also make additional non-elective contributions to the defined contribution plans of public safety employees who are covered under Tier II Defined Contribution Plan, at the same percentage rate as the payments under § 49-23-301; and

WHEREAS, Rich County intends to make the election and the contributions specified above; and

WHEREAS, Rich County desires to keep the compensation structure of its public safety employees competitive with other surrounding jurisdictions;

THEREFORE, the Rich County Board of Commissioners resolves that pursuant to Utah Code Ann. §§ 49-23-301 and 49-23-401, the county will pay the required employee member contributions for public safety employees covered by Tier II Hybrid Retirement System, and to make non-elective contributions to the defined contribution plans of public safety employees who are covered under Tier II Defined Contribution Plan. The county will pay the required employee contributions under both plans up to a maximum of 2.27% of the compensation for each employee. Although these contributions are designated as employee contributions, they will be paid by Rich County, as the employer, in lieu of employee contributions. Employees will not be allowed to opt out of these employer payments, or to receive the payments directly, or to have a cash or deferred election right. The picked up contributions are a supplemental benefit to eligible public safety employees. The provisions of this resolution will take effect July 1, 2020, and will remain in effect until superseded or revoked by further resolution.


RESOLUTION OF THE RICH COUNTY BOARD OF COUNTY COMMISSIONERS
ADOPTING THE UTAH RETIREMENT SYSTEMS TIER II PUBLIC SAFETY AND FIRE
FIGHTERS EMPLOYER PICKUP OPTION

APPROVED and signed this 3rd day of June, 2020.

BOARD OF RICH COUNTY COMMISSIONERS


William Cox, Chairman

ATTEST:


Rich County Clerk

Commissioner Bill Cox voted yes.

Commissioner Norman Weston voted yes.

Commissioner Simeon Weston voted yes.



Utah Retirement Systems
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Employer Election To Pick-Up Member Contributions Tier 2 Public Safety and Firefighter

Instructions:

1. This form is designed to notify Utah Retirement Systems (URS) of an Employer's formal election to "pick-up" retirement contributions.
2. This form and accompanying documentation must be returned to URS for processing.
3. A pick-up election is subject to federal law, resulting in tax and legal consequences, including limitations about the ability to modify or revoke the election. For information regarding employer pick-up contributions, please refer to federal law and guidance, including Internal Revenue Code Section 414 and IRS Revenue Ruling 2006-43.
4. An Employer should consult its legal, financial, and tax advisors if it has any questions concerning the consequences of Member contribution "pick-ups" and submitting this form.

SECTION A » EMPLOYER INFORMATION

Employer Name Rich County	Employer Number 217	Date 06-10-2020
Desired Effective Date: <u>07-01-2020</u> (The effective date must be after the date that the pick-up election was formally adopted as provided in the attached documentation.)		

SECTION B » PICK-UP AMOUNT(S)

The above-named Employer certifies that it has taken formal action to provide that the contributions on behalf of its covered employees in the following URS System, although designated as employee contributions, will be paid by the employer in lieu of employee contributions. (Please check the box and fill in the portion of employee contributions picked-up for each class of employees below. For example, mark "ALL" for a pick-up of all employee contributions for that system or a percentage of salary for a pick-up of a portion of employee contributions.)

Please also attach written documentation to this form that provides evidence that the Employer formally elected to prospectively pick-up specified employee contributions. (For example, ordinance, resolution, governing body meeting minutes, etc.)

Note: If you are picking-up contributions for both public safety and firefighter employees, check both boxes

- Tier 2 Public Safety and Firefighter Contributory Retirement System, with the following pick-up election that will be paid by the Employer in lieu of employee contributions for members serving as a **Public Safety Officer**:
 - ALL _____; **OR**
 - 2.27 % of salary.
- Tier 2 Public Safety and Firefighter Contributory Retirement System, with the following pick-up election that will be paid by the Employer in lieu of employee contributions for members serving as a **Firefighter**:
 - ALL _____; **OR**
 - _____ % of salary.

SECTION C » CERTIFICATION AND SIGNATURE

I acknowledge and certify the following:

- I represent and have the authority to sign and submit this form on behalf of the participating employer;
- That Employer has taken all appropriate and necessary actions to make a formal Employer pick-up regarding employee contributions on behalf of its employees;
- The election to pay for the Employee contributions shall constitute an Employer pick-up of designated contributions pursuant to Internal Revenue Code Section 414;
- From and after the date of the pick-up election, an Employee may not: 1) have a cash or deferred election right with respect to designated Employee contributions; 2) be permitted to opt out of the pick-up; or 3) have the option of choosing to receive or receiving the contributed amounts directly instead of having them paid by the Employer to the specified system/plan;
- In order for contributions to be considered paid by the employer, and therefore not subject to Social Security and Medicare tax (FICA), the Employer contributions: 1) Must be mandatory for all Employees covered by the retirement system; and 2) Must be a salary supplement and not a salary reduction—In other words, the Employer must not reduce employee salary to offset the amount designated as employee contributions;
- Future modifications to this Employer election may be disallowed or limited;
- The election authorized to be taken by the foregoing is not contrary to any governing provisions of the Employer;
- I understand that URS is not providing the Employer legal, financial, or tax advice relating to making a "pick-up" election or submitting this form; and
- The information provided on this form and attached documentation is correct and can be relied upon by URS.

Printed Name of Employer Representative (Binding Official) <i>William E. Cox</i>	Signature of Binding Official <i>William E. Cox</i>	Title <i>Commission Chair</i>
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