

## ORDINANCE NO. 12-03

### AN ORDINANCE AUTHORIZING THE VILLAGE OF SPENCER TO "PICK UP" THE STATUTORILY REQUIRED CONTRIBUTION TO THE PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO FOR EMPLOYEES OF THE VILLAGE PURSUANT TO I.R.C. § 414(H)(2) AND DECLARING AN EMERGENCY

WHEREAS, pursuant to federal and Ohio laws, the employees of the Village of Spencer, Ohio, could defer the federal and state income taxes on a portion of their wages or salaries if the Village of Spencer would "pick up" (assume and pay) the statutorily required contribution by such elected officials and covered employees to the Public Employees Retirement System of Ohio ("PERS"); and

WHEREAS, the Village of Spencer will not incur any additional costs in the deferment of federal and state income taxes.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE VILLAGE OF SPENCER, OHIO, THREE-FOURTHS (3/4) OF ITS MEMBERS CONCURRING HEREIN AS FOLLOWS:

**Section 1:** Effective the first pension reporting period after the effective date of this Ordinance, the full amount of the statutorily required contributions to the Public Employees Retirement System of Ohio 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 the Public Employees Retirement System of Ohio) by the Village of Spencer. This "pick up" by the Village of Spencer is, and shall be designated as, public employee contributions and shall be in lieu of contributions to the Public Employees Retirement System of Ohio by each person within any of the classes established in Section 2 herein. No person subject to this "pick up" shall have the option of choosing to receive the statutorily required contribution to the Public Employees Retirement System of Ohio directly instead of having it "picked up" by the Village or of being excluded from the "pick up."

**Section 2:** The "pick up" by the Village of Spencer provided by this Ordinance shall apply to all persons that are employees of the Village who are or become contributing members of PERS with the exception of non-permanent employees.

**Section 3:** The Village of Spencer's method of payment of salary to employees who are participants in PERS is hereby

modified as follows in order to provide for a salary reduction "pick up" of employee contributions to PERS.

**Section 4:** The total salary for each employee shall be the salary otherwise payable under Village policies. Such total salary of each employee shall be payable by the Village in two parts: (a) deferred salary and (b) cash salary. An employee's deferred salary shall be equal to the percentage of that employee's total salary which is required from time to time by PERS to be paid as an employee contribution by that employee, and shall be paid by the Village to PERS on behalf of that employee as a "pick up" and in lieu of the PERS 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 shall compute and remit its employer contributions to PERS based upon an employee's total salary. The total combined expenditures of the Village for such employees' total salaries payable under applicable Village policies and the "pick up" provisions of this Ordinance shall not be greater than the amounts it would have paid for those items had this provision not been in effect.

**Section 5:** The Village Fiscal Officer is hereby authorized and directed to implement the provisions of this Ordinance to institute the "pick up" of the statutorily required contributions to PERS for those persons reflected in Section 2 herein so as to enable them to obtain the result of federal and state tax deferments and other benefits.

**Section 6:** That this Ordinance is hereby declared to be an emergency measure necessary for the preservation of the public peace, health, safety, and welfare of the Village of Spencer, Ohio, and for the particular reason that this Ordinance needs to be passed so that the Village Fiscal Officer can effectuate this change prior to the next pension reporting period and that this Ordinance shall be in full force and effect from and after its passage.

PASSED: November 19, 2003

  
\_\_\_\_\_  
TOMMY RAMEY, Mayor

ATTEST:

  
\_\_\_\_\_  
RHONDA R. RIFFLE, Village Fiscal Officer