

## ORDINANCE NO. 13-03

### AN ORDINANCE AUTHORIZING THE VILLAGE OF SPENCER TO "PICK UP" THE STATUTORILY REQUIRED CONTRIBUTION TO THE POLICE AND FIREMEN'S DISABILITY AND PENSION FUND OF OHIO FOR THE 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 covered employees to the Police and Firemen's Disability and Pension Fund of Ohio (hereinafter "PFDPF"); 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 PFDPF 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 PFDPF) by the Village of Spencer. This "pick up" by the Village of Spencer is, and shall be designated as, employee contributions and shall be in lieu of contributions to the PFDPF 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 PFDPF 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 the PFDPF 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 the PFDPF is hereby modified as follows in order to provide for a salary reduction "pick up" of employee contributions to the PFDPF.


**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 the PFDPF as an employee contribution by the employee and shall be paid by the Village to the PFDPF on behalf of that employee as a "pick up" and in lieu of the PFDPF 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 the Police and Firemen's Disability and Pension Fund 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 the PFDPF 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

ATTEST:

  
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TOMMY RAMEY, Mayor

  
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RHONDA R. RIFFLE, Village Fiscal Officer