

RESOLUTION NO. 1458

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALISBURY TO CONTINUE AND REAFFIRM THE CITY'S PARTICIPATION IN THE EMPLOYER PICK-UP PROGRAM FOR THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM.

WHEREAS, the eligible employees of the City of Salisbury participate in the Maryland Law Enforcement Officers' Pension System ("LEOPS"); and

WHEREAS, the City of Salisbury has previously adopted a pick-up of all of the mandatory contributions required under the Personnel and Pensions Article of the Annotated Code of Maryland, Division II, §26-204 for participating employees of the City of Salisbury who are members of LEOPS; and

WHEREAS, the State Retirement Agency has adopted new procedures for reporting picked-up contributions in order to provide consistency in the administration of state law, which procedures have been approved by the Internal Revenue Service; and

WHEREAS, employers pick-up all of the mandatory employee contributions for employees participating in the LEOPS; and

WHEREAS, the Mayor and City Council of the City of Salisbury wishes to reaffirm and continue its pick-up under the new procedures;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of Salisbury, Maryland, in regular session on the 13th day of November, 2006, pursuant to proper authority granted it, that effective as of November 13, 2006 the City of Salisbury has determined to continue to pick-up all of the mandatory contributions by the employees who are members of LEOPS through a payroll reduction; and

AND BE IT FURTHER RESOLVED, that said picked-up contributions paid by payroll reduction, even though designated as employee contributions for state law purposes, are being paid by the City of Salisbury in lieu of said contributions by the employee; and

AND BE IT FURTHER RESOLVED, that the IRS' approval of the State Retirement Agency's new pick-up procedures shall not be effective for any contributions earned prior to the later of the date the resolution is signed or effective;

AND BE IT FURTHER RESOLVED, that said employee shall not be entitled to any option of choosing to receive the contributed amounts directly instead of having them paid by the City of Salisbury to LEOPS. This pick-up applies to all mandatory contributions that the employee is required to make to LEOPS; and

AND BE IT FURTHER RESOLVED that this resolution constitutes formal action in writing from the City of Salisbury with respect to future contributions to meet the requirements set forth in paragraph (1) of the Law and Analysis in Internal Revenue Service Revenue Ruling 2006-43, 2006-35 I.R.B. 329.

The above Resolution was introduced and read and passed at the regular meeting of the City Council of the City of Salisbury, Maryland held on this 13th day of November, 2006 and is to become effective immediately upon adoption.

ATTEST:

Brenda J. Colegrove
City Clerk

Michael P. Dunn
Council President

APPROVED BY ME THIS

_____ day of _____, 2006

Barrie P. Tilghman
Mayor