

ORDINANCE NO. 44-84

CITY OF CENTERVILLE, OHIO

SPONSORED BY COUNCILMAN Bernard Samples ON THE
19th DAY OF November, 1984.

AN EMERGENCY ORDINANCE PROVIDING FOR THE CITY OF CENTERVILLE TO PAY A PORTION OF ALL EMPLOYEE CONTRIBUTIONS TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM OR THE POLICE AND FIREMAN'S DISABILITY AND PENSION FUND BOTH OF WHICH ARE ADMINISTERED BY THE STATE OF OHIO FOR ALL FULL-TIME AND REGULAR PART-TIME EMPLOYEES OF THE CITY OF CENTERVILLE AND MAKING SUCH PLAN MANDATORY.

WHEREAS, Internal Revenue Service in Rev. Rul. 77-462, 1977-2 C.B. 358, interpreted Internal Revenue Code Section 414(h)(2), to permit required contributions of public employees to a qualified state pension plan to be assumed and paid ("picked up") by their employers if treated as employer contributions to the plan and rule that said contributions are excludable from the employees' wage for purposes of income tax withholding and excludable from gross income for purposes of personal income tax until these amounts are distributed or made available to the employees, and

WHEREAS, the Attorney General of the State of Ohio in Opinion 82-097 ruled "where an employee's earnings, or basis of his contribution to the State Teachers' Retirement System, include the amount of the employee's contribution, whether paid by the employee or "picked up" by the employer, then such "pick up" may be included in computing final average salary, and whereas, it is the intention of the City of Centerville to "pick up" a portion of its full-time and regular part-time employees' mandatory retirement contributions by designating a portion on the contributions of the employees as employer contributions through the use of the fringe benefit method.

NOW, THEREFORE,

THE MUNICIPALITY OF CENTERVILLE HEREBY ORDAINS:

Section 1. Effective with all wages earned during and after January 1, 1985, the City of Centerville shall "pick up" 6 percent of the 8 1/2 percent mandatory retirement contributions to the Public Employees' Retirement System and the Police and Fireman's Disability and Pension Fund using the fringe benefit method and shall designate such amounts as employer contributions for income tax purposes in order that the amount of each employee's income reported by the City of Centerville would remain the same but the net pay to the employee would reflect withholding of 2.5 percent for Public Employees' Retirement System and the Police and Fireman's Disability and Pension Fund contributions instead of the present 8.5 percent thus resulting in a net pay increase while the gross pay would remain the same.

Section 2. This ordinance is hereby declared to be an emergency ordinance and shall become effective upon January 1, 1985. An emergency affecting public health, safety and welfare is hereby declared to exist by virtue of the fact that it is essential to maintain good employee relations and public service that this ordinance be effective no later than January 1, 1985.

PASSED THIS 19th DAY OF November, 1984.

Shirley F. Dent
Mayor of the City of Centerville,
Ohio

ATTEST:

Maile McLaughlin
Clerk of Council
City of Centerville, Ohio

CERTIFICATE

The undersigned, Clerk of Council of the City of Centerville, Ohio, hereby certifies the foregoing to be a true and correct copy of Ordinance No. 44-84, passed by the Council of the City of Centerville, Ohio, on the 19th day of November, 1984.

Marilyn J. Soudell
Clerk of Council

Approved as to form, consistency,
with existing ordinances, the
charter & constitutional provisions.

Department of Law
Robert N. Farquhar
Municipal Attorney