



RESOLUTION 07-01-2020

A RESOLUTION AUTHORIZING EMPLOYER PICKUP ELECTION FOR ALL SANTAQUIN CITY FULL TIME POLICE OFFICERS UNDER THE UTAH STATE RETIREMENT SYSTEM (URS)

WHEREAS, In 2018, with a desire to create a strategic enticement to retain and recruit police officers, the Santaquin City Council elected to create a new program for its full time public safety personnel known as "Tier 2 Parity", in which Santaquin City would pay an equivalent retirement contribution for all of its full time police officers regardless of whether the officer was considered a "Tier 1" employee or a "Tier 2" employee as defined by URS; the only unique aspect being that the Tier 2 employees would have the difference in their retirement contributions (from Tier 2 to Tier 1) placed into a 401K retirement account; and

WHEREAS, during the 2020 legislative session, the Utah State Legislature made enhancements to the State of Utah's Tier 2 retirement program which took effect on July 1, 2020, in which participating entities needed to determine if their organization elects to pick-up member contributions for their Tier-2 public safety officers and firefighters; and


WHEREAS, Santaquin City desires to use a portion of the funds from its "Tier 2 Parity" program to pay for its public safety officer's member contributions, while continuing to place the remainder of the difference between Tier 2 and Tier 1 employees into a 401K Retirement account as was done previously;

NOW THEREFORE, be it resolved by the Santaquin City Council to:


- Approve and Submit the attached "Employer Election to Pick-Up Member Contributions: Tier 2 Public Safety and Firefighter Form" and thereby Pick-Up Member Contributions for Tier 2 Public Safety Officers; and
- To continue the Santaquin City "Tier 2 Parity" program by an amount reduced by the employer contributions through the aforementioned Employer Election to Pick-Up Member Contributions; and
- Establish an Effective Date for the aforementioned employer contribution to be June 21, 2020.

ADOPTED AND PASSED by the City Council of the City of Santaquin, Utah this 7th day of July, 2020.

CITY OF SANTAQUIN


Kirk F. Hunsaker, Mayor

Attest:


K. Aaron Shirley, City Recorder



Utah Retirement Systems
 PO Box 1590
 Salt Lake City, UT 84110-1590
 801-366-7318 | 800-753-7318
 www.urs.org

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 <i>Santaquin City</i>	Employer Number <i>469</i>	Date <i>7/6/2020</i>
Desired Effective Date: <i>7/1/2020</i> (The effective date must be after the date that the pick-up election was formally adopted as provided in the attached documentation.) <i>Effective PP beginning 6/21/2020 to 7/4/2020</i>		

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 _____ (this includes any potential future increases to employee contributions); **OR**
 - _____% 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 _____ (this includes any potential future increases to employee contributions); **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>Benjamin Reeves</i>	Signature of Binding Official 	Title <i>City Manager</i>
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