

Onancock Town Council Special Meeting

AGENDA

June 30th, 2015

5:00 p.m.

- 1. Call to Order and Roll Call**
- 2. Pledge of Allegiance**
- 3. Items of Business:**
 - a. Virginia Retirement System Resolution, Lisa Weeks, Office Manager**
- 4. Adjourn**

SUGGESTED MOTION: Mr. Mayor, I move to adopt the Resolution entitled “Member Contributions by Salary Reduction for Counties, Cities, Towns and Other Political Subdivisions”

AGENDA

TOWN COUNCIL

JUNE 30TH, 2015

SUBJECT: Resolution required by the Virginia Retirement System to clarify the member contributions into the system.

RECOMMENDATIONS: Approval

TIMING: This needs to be completed by July 1st, 2015

FISCAL IMPLICATIONS: The FY 16 Budget contemplated these changes in contributions and is compliant with the requirements of this resolution.

POLICY IMPLICATIONS: This action is required by VRS

DISCUSSION: None

Staff: G. Cabell Lawton, IV, Town Manager
Lisa Weeks, Office Manager

Attachment: Proposed Resolution

Member Contributions by Salary Reduction for Counties, Cities, Towns, and Other Political Subdivisions

(In accordance with Chapter 822 of the 2012 Acts of Assembly (SB497))

Resolution

WHEREAS, the Town of Onancock, 55391, employees who are Virginia Retirement System members who commence or recommence employment on or after July 1, 2012, shall be required to contribute five percent of their creditable compensation by salary reduction pursuant to Internal Revenue Code § 414(h) on a pre-tax basis upon commencing or recommencing employment; and

WHEREAS, the Town of Onancock employees who are Virginia Retirement System members and in service on June 30, 2012, shall be required to contribute five percent of their creditable compensation by salary reduction pursuant to Internal Revenue Code § 414(h) on a pre-tax basis no later than July 1, 2016; and

WHEREAS, such employees in service on June 30, 2012, shall contribute a minimum of an additional one percent of their creditable compensation beginning on each July 1 of 2012, 2013, 2014, 2015, and 2016, or until the employees' contributions equal five percent of creditable compensation; and

WHEREAS, the Town of Onancock may elect to require such employees in service on June 30, 2012, to contribute more than an additional one percent each year, in whole percentages, until the employees' contributions equal five percent of creditable compensation; and

WHEREAS, the second enactment clause of Chapter 822 of the 2012 Acts of Assembly (SB497) requires an increase in total creditable compensation, effective July 1, 2015, to each such employee in service on June 30, 2015, to offset the cost of the member contributions, such increase in total creditable compensation to be equal to the percentage increase of the member contribution paid by such pursuant to this resolution. (For example, if the member contribution paid by the employee increases from two to three percent pursuant to this resolution, the employee must receive a one percent increase in creditable compensation.)

BE IT THEREFORE RESOLVED, that the Town of Onancock does hereby certify to the Virginia Retirement System Board of Trustees that it shall effect the implementation of the member contribution requirements of Chapter 822 of the 2012 Acts of Assembly (SB497) according to the following schedule for the fiscal year beginning July 1, 2015:

PLAN 1	Percent
Employer Paid Member Contribution	1%
Employee Paid Member Contribution	4%
Total	5%

PLAN 2	Percent
Employer Paid Member Contribution	1%
Employee Paid Member Contribution	4%
Total	5%

(Note: Each column must add up to 5 percent.); and

BE IT FURTHER RESOLVED, that such contributions, although designated as member contributions, are to be made by the Town of Onancock in lieu of member contributions; and

BE IT FURTHER RESOLVED, that pick up member contributions shall be paid from the same source of funds as used in paying the wages to affected employees; and

BE IT FURTHER RESOLVED, that member contributions made by the Town of Onancock under the pick up arrangement shall be treated for all purposes other than income taxation, including but not limited to VRS benefits, in the same manner and to the same extent as member contributions made prior to the pick up arrangement; and

BE IT FURTHER RESOLVED, that nothing herein shall be construed so as to permit or extend an option to VRS members to receive the pick up contributions made by the Town of Onancock directly instead of having them paid to VRS; and

BE IT FURTHER RESOLVED, that notwithstanding any contractual or other provisions, the wages of each member of VRS who is an employee of the Town of Onancock shall be reduced by the amount of member contributions picked up by the Town of Onancock on behalf of such employee pursuant to the foregoing resolutions; and

BE IT FURTHER RESOLVED, that no salary increases provided solely to offset the cost of required member contributions to the Virginia Retirement System under § 51.1-144 of the Code of Virginia will be used to certify that any salary increases required by the Appropriation Act have been provided.

NOW, THEREFORE, the officers are hereby authorized and directed in the name of the Town of Onancock to carry out the provisions of this resolution, and said officers are authorized and directed to pay over to the Treasurer of Virginia from time to time such sums as are due to be paid by the Town of Onancock for this purpose.

Governing Body Chairman

CERTIFICATE

I, _____, [Title, e.g. Clerk, Secretary] of the
_____, [Political Subdivision Name], certify that the
foregoing is a true and correct copy of a resolution passed at a lawfully organized meeting of the
_____, [Political Subdivision Name] held at
_____, Virginia at _____ o'clock on _____, 2015. Given under my hand
and seal of the _____ [Political Subdivision Name] this
_____ day of _____, 2015.

Clerk

**This resolution must be passed prior to July 1, 2015 and
received by VRS no later than July 10, 2015.**