

ORDINANCE NO.: 60 -2008
INTRODUCED BY: Mayor Ursu

AN ORDINANCE THAT THE CITY OF RICHMOND HEIGHTS, OHIO WILL PICK UP THE STATUTORILY REQUIRED CONTRIBUTION TO THE OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM ("OPERS") FOR THE EMPLOYEES OF THE CITY PURSUANT TO INTERNAL REVENUE CODE SECTION 414(h)(2); AND DECLARING AN EMERGENCY.

WHEREAS, pursuant to federal and Ohio laws, the federal and state income taxes on a portion of the wages or salaries of the employees of the City of Richmond Heights, Ohio, will be deferred if the City of Richmond Heights, Ohio, "picks up" (assumes and pays) the contributions statutorily required by such elected officials and covered employees to OPERS; and

WHEREAS, the City of Richmond Heights, Ohio, will not incur any additional costs in the picking up of such contributions; and

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Richmond Heights, State of Ohio, that:

Section 1: Effective August 14, 2008, the full amount of the statutorily required employee contributions to OPERS 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 OPERS) by the City of Richmond Heights, Ohio. This "pick up" by the City of Richmond Heights, Ohio, shall be designated as public employee contributions and shall be in lieu of contributions to OPERS 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 OPERS directly instead of having it "picked up" by the City of Richmond Heights, Ohio, or of being excluded from the "pick up". The City of Richmond Heights shall, in reporting and making remittance to OPERS, report that the public employees contribution for each person subject to this "pick up" has been made as provided by the statute. Therefore, contributions, although designated as employee contributions, are employer-paid, and employees do not have the option to receive the contributions directly. All contributions are paid by the employer directly to the plan.

Section 2: The "pick up" by the City of Richmond Heights, Ohio, provided by this Ordinance shall apply to all persons that are employees of the City of Richmond Heights, who are or become contributing members of OPERS.

Section 3: The City of Richmond Heights' method of payment of salary to employees who are participants in OPERS is hereby modified as follows, in order to provide for a salary reduction pick up of employee contributions to OPERS.

Section 4: The total salary for each employee shall be the salary otherwise payable under the City of Richmond Heights policies. Such total salary of each employee shall be payable by the City of Richmond Heights in two parts: (a) deferred salary and (b) cash salary. An employee's deferred salary shall be equal to that percentage of that employee's total salary which is required from time to time by OPERS to be paid as an employee contribution by that employee, and shall be paid by the City of Richmond Heights, Ohio, to OPERS on behalf of that employee as a pick up and in lieu of the OPERS 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 City of Richmond Heights shall compute and remit its employer contributions to OPERS based upon an employee's total salary. The total combined expenditures of the City of Richmond Heights for such employees' total salaries payable under applicable City of Richmond Heights 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 Director of Finance is hereby authorized and directed to implement the provisions of this Ordinance to institute the "pick up" of the statutorily required contributions to OPERS for those persons reflected in Section 2 herein so as to enable them to obtain the result in federal and state tax deferments.

Section 6: It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council, and of any of its committees, that resulted in such formal action were in meetings open to the public in compliance with all legal requirements.

Section 7: This Ordinance is an emergency measure immediately necessary for the health and general welfare of the City and its employees so that proper tax treatment of employees' salaries can be had at the earliest time possible and before an Internal Revenue Service deadline and to meet the next City payroll date of August 14, 2008; therefore, provided this Ordinance receives the affirmative vote of five members of the Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

PASSED: _____

Daniel J. Ursu, Mayor

APPROVED: _____

ATTEST: _____

Betsy Traben
Clerk of Council

David H. Roche
President of Council