

AN ORDINANCE THAT THE CITY OF NELSONVILLE, OHIO WILL PICK UP THE STATUTORILY REQUIRED CONTRIBUTION TO THE OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM FOR THE EMPLOYEES OF THE CITY OF NELSONVILLE, OHIO PURSUANT TO INTERNAL REVENUE CODE SECTION 414(h)(2).

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 Nelsonville, Ohio will be deferred if the City of Nelsonville, Ohio “picks up” assumes and pays the contributions statutorily required by such elected officials and covered employees to Ohio Public Employees Retirement System (OPERS); and

WHEREAS, the City of Nelsonville, Ohio will not incur any additional costs in the picking up of such contributions.

NOW THEREFORE BE IT ORDAINED BY THE CITY OF NELSONVILLE, OHIO, THAT:

SECTION 1: Effective April 13, 2021, 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 Nelsonville, Ohio. This “pick up” by the City of Nelsonville, 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 Nelsonville, Ohio or of being excluded from the “pick up”. The City of Nelsonville, Ohio 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 Nelsonville, Ohio provided by this ordinance shall apply *to all persons* that are employees of the City of Nelsonville, Ohio who are or become contributing members of OPERS.

SECTION 3: The City of Nelsonville, Ohio method of payment of salary to employees who are participants in OPERS is hereby modified as provided in Section 4, 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 Nelsonville, Ohio policies. Such total salary of each employee shall be payable by the City of Nelsonville, Ohio 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 Nelsonville, 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 Nelsonville, Ohio shall compute and remit its employer contributions to OPERS based upon an employee's total salary. The total combined expenditures of the City of Nelsonville, Ohio for such employees' total salaries payable under applicable City of Nelsonville, Ohio policies and the pick-up provisions of this resolution shall not be greater than the amounts it would have paid for those items had this provision not been in effect.

SECTION 5: The treasurer and/or the clerk are 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: This Ordinance is being passed as an emergency measure pursuant to O.R.C. 731.30 because the immediate passage of the Ordinance is necessary because pick up policy and procedure is effective April 13, 2021, and shall be in full force and effect upon its adoption.

Duly enacted by Council upon first reading under suspension of the rules this 12th day of April, 2021.

NELSONVILLE CITY COUNCIL

President of Council

Clerk of Council

First Reading: April 12, 2021, adopted under suspension of the rules