

RESOLUTION

AUTHORIZATION TO PICK UP THE EMPLOYEE'S CONTRIBUTION

TO VRS FOR PAST SERVICE CREDIT

UNDER §414(h) OF THE INTERNAL REVENUE CODE

WHEREAS, James City County desires to provide its employees with tax deferral pursuant to §414(h) of the Internal Revenue Code with respect to their member contributions to the Virginia Retirement System, the State Police Officers Retirement System, and the Judicial Retirement System (collectively referred to as VRS) for the permissible purchase of past service credit by picking up member contributions to the VRS; and

WHEREAS, the pick up is authorized under Virginia Code Sections 51.1-142.I and 51.1-143.C.; and

WHEREAS, the VRS keeps track of such picked up member contributions and is prepared to treat such contributions as employee contributions for all purposes of VRS.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of James City County, Virginia, that effective the first pay day on or after the later of May 25, 1999, or the date the member executes a binding and irrevocable salary reduction election relating to the past service permitted to be purchased, James City County shall pick up all or a portion of the member contributions of its employees to VRS based on the terms of the salary reduction election, and such contributions shall be treated as employer contributions in determining tax treatment under the Internal Revenue Code of the United States.

BE IT FURTHER RESOLVED that the binding salary reduction election to be executed by the member shall include the following: 1) the beginning and ending date of the election; 2) the amount of the salary reduction on a pay period by pay period basis; 3) the total amount of contribution expected to be involved; 4) a statement that the member may not receive the contributed amounts instead of having them paid by James City County to the VRS; and 5) an agreement that the member will not purchase the service credit through a lump sum payment during the period in which the salary reduction election is in effect.

BE IT FURTHER RESOLVED the member may revoke the salary reduction election only in the event of an unforeseeable emergency as that phrase is used and defined in IRC Section 457 and Treasury Regulation Section 1.457-2(h)(4) and if such revocation is made, the member may not make a new salary reduction election during his period of employment.

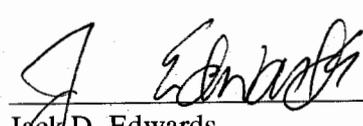
BE IT FURTHER RESOLVED that such contributions, although designated as member contributions, are to be made by James City County in lieu of member contributions.

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.

BE IT FURTHER RESOLVED that member contributions made by James City County 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.

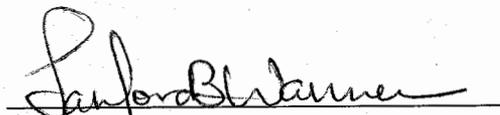
BE IT FURTHER RESOLVED that nothing herein shall be construed so as to permit or extend an option to VRS members to receive the pick up contributions made by James City County directly instead of having them paid to VRS; and it is further

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



Jack D. Edwards
Chairman, Board of Supervisors

ATTEST:



Sanford B. Wanner
Clerk to the Board

<u>SUPERVISOR</u>	<u>VOTE</u>
NERVITT	AYE
SISK	AYE
MCLENNON	AYE
BRADSHAW	AYE
EDWARDS	AYE

Adopted by the Board of Supervisors of James City County, Virginia, this 25th day of May, 1999.

bsauthorization.res