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2 **RESOLUTION NO. 2011-23**

3 **A RESOLUTION TO TAX DEFER MEMBER PAID CONTRIBUTIONS – INTERNAL**
4 **REVENUE CODE 414(h)(2) EMPLOYER PICK-UP.**
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7 **WHEREAS**, the City Council of the City of Albany has the authority to implement the
8 provisions of section 414(h)(2) of the Internal Revenue Code (IRC); and

9 **WHEREAS**, the City of Albany has determined that even though the implementation of the
10 provisions of section 414(h)(2) IRC is not required by law, the tax benefit offered by section
11 414(h)(2) IRC should be provided to all employees who are members of the California Public
12 Employees' Retirement System (PERS).

13 **NOW, THEREFORE, BE IT RESOLVED:**
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- 15 I. That the City of Albany will implement the provisions of section 414(h)(2) IRC by
16 making employee contributions pursuant to California Government Code (GC) Section
17 20691 to PERS on behalf of all its employees who are members of PERS. "Employee
18 contributions" shall mean those contributions to PERS which are deducted from the salary
19 of employees and are credited to individual employees' accounts pursuant to GC Section
20 20691.
- 21 II. That the contributions made by the City of Albany to PERS, although designated as
22 employee contributions, are being paid by the City of Albany in lieu of contributions by
23 the employees who are members of PERS.
- 24 III. That employees shall not have the option of choosing to receive the contributed amounts
25 directly instead of having them paid by the City of Albany to PERS.
- 26 IV. That the City of Albany shall pay to PERS the contributions designated as employee
27 contributions from the same source of funds as used in paying salary.
- 28 V. That the amount of the contributions designated as employee contributions and paid by the
29 City of Albany to PERS on behalf of an employee shall be the entire contribution required

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of the employee by California Public Employees' Retirement Law (GC Sections 20000, et seq.).

VI. That the contributions designated as employee contributions made by the City of Albany to PERS shall be treated for all purposes, other than taxation, in the same way that member contributions are treated by PERS.

Mayor Farid Javandel