

ORDINANCE NO. 45-18

By: Steve Keyes

ORDINANCE TO AUTHORIZE THE CITY OF BEXLEY TO PICK UP THE STATUTORILY REQUIRED CONTRIBUTION TO THE OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM FOR THE AFSCME EMPLOYEES OF THE CITY OF BEXLEY PURSUANT TO IRC SECTION 414(h)(2).

WHEREAS, pursuant to federal and Ohio laws, the CITY OF BEXLEY may offset future salary increases and "pick up" (assume and pay) the contributions statutorily required by such elected officials and covered employees to the Ohio Public Employees Retirement System (OPERS) and such individuals will not be required to pay federal and state income taxes on such contributions; and

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

SECTION 1: Effective 1/1/2019, the statutorily required employee contributions to OPERS shall be picked up and paid as a fringe benefit by the CITY OF BEXLEY for each person within any of the classes established in Section 2 herein. The pickup shall be an offset against future salary increases. This "pick up" by the CITY OF BEXLEY 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 BEXLEY or of being excluded from the "pick up". The CITY OF BEXLEY 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 BEXLEY provided by this ordinance shall apply to all persons that are AFSCME employees of the CITY OF BEXLEY who are or become contributing members of OPERS as follows:

For employees hired after January 1, 2013, the City of Bexley shall pay 2.5% of the employee's share of the PERS contribution effective January 1, 2019.

For employees hired after January 1, 2013, the City of Bexley shall pay an additional 2.5% of the employee's share of the PERS contribution (a total of 5%) effective January 1, 2020.

For employees hired after January 1, 2013, the City of Bexley shall pay an additional 2.5% of the employee's share of the PERS contribution (a total of 7.5%) effective January 1, 2021.

For those employees hired prior to January 1, 2013, the City of Bexley shall pay 8.2% of their PERS contribution effective January 1, 2019.

For those employees hired prior to January 1, 2013, the City of Bexley shall pay 7.9% of their PERS contribution effective January 1, 2020.

For those employees hired prior to January 1, 2013, the City of Bexley shall pay 7.5% of their PERS contribution effective January 1, 2021.

Employees hired prior to January 1, 2013 shall receive a lump sum payment equal to 2.8% of their annual wages effective in the first pay period of each calendar year of this agreement.

SECTION 3: Under the fringe-benefit method of employer pick up, salary is not modified; however, the employer will pay the employees' statutorily required contribution to OPERS.

SECTION 4: 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 have their employee contributions paid by their employer.

Adopted:

Dec. 11, 2018
(Date)

William Harvey
William Harvey, Clerk of Courts

Lori Ann Feibel
Lori Ann Feibel, President of Council

Ben Kessler
Ben Kessler, Mayor

First Reading: 12-4-18
Second Reading: 12-11-18
SUSPENDED 12/11/18
PASSED