

Member Contributions by Salary Reduction for School Divisions

(In accordance with Chapter 822 of the 2012 Acts of Assembly (SB497))

Resolution

WHEREAS, Albemarle County Schools employees who are Virginia Retirement System members who commence or recommence employment on or after July 1, 2012 ("FY2013 Employees" for purposes of this resolution), shall be required to contribute five percent of their creditable compensation by salary reduction pursuant to Internal Revenue Code § 414(h) on a pre-tax basis upon commencing or recommencing employment; and

WHEREAS, Albemarle County Schools employees who are Virginia Retirement System members and in service on June 30, 2012, shall be required to contribute five percent of their creditable compensation by salary reduction pursuant to Internal Revenue Code § 414(h) on a pre-tax basis no later than July 1, 2016; and

WHEREAS, such employees in service on June 30, 2012, shall contribute a minimum of an additional one percent of their creditable compensation beginning on each July 1 of 2012, 2013, 2014, 2015, and 2016, or until the employees' contributions equal five percent of creditable compensation; and

WHEREAS, Albemarle County Schools may elect to require such employees in service on June 30, 2012, to contribute more than an additional one percent each year, in whole percentages, until the employees' contributions equal five percent of creditable compensation; and

WHEREAS, the second enactment clause of Chapter 822 of the 2012 Acts of Assembly (SB497) requires an increase in total creditable compensation, effective July 1, 2012, to each such employee in service on June 30, 2012, such increase in total creditable compensation to be equal to the difference between five percent of the employee's total creditable compensation and the percentage of the member contribution paid by such employee on January 1, 2012.

BE IT THEREFORE RESOLVED, that Albemarle County Schools does hereby certify to the Virginia Retirement System Board of Trustees that it shall effect the implementation of the member contribution requirements of Chapter 822 of the 2012 Acts of Assembly (SB497) according to the following schedule for the fiscal year beginning July 1, 2012 (i.e., FY2013):

Professional Employees [employer code 40101]:

Type of Employee	Employer Paid Member Contribution	Employee Paid Member Contribution
Plan 1	0%	5%
Plan 2	0%	5%
FY2013 Employees	0%	5%

(Note: Each row must add up to 5 percent.)

Non-professional Employees [employer code 55501]:

Type of Employee	Employer Paid Member Contribution	Employee Paid Member Contribution
Plan 1	0%	5%
Plan 2	0%	5%
FY2013 Employees	0%	5%

(Note: Each row must add up to 5 percent.); and

BE IT FURTHER RESOLVED, that such contributions, although designated as member contributions, are to be made by Albemarle County Schools in lieu of member contributions; and

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; and

BE IT FURTHER RESOLVED, that member contributions made by Albemarle County Schools 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; and

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 Albemarle County Schools directly instead of having them paid to VRS; and

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

NOW, THEREFORE, the officers of Albemarle County Schools are hereby authorized and directed in the name of Albemarle County Schools to carry out the provisions of this resolution, and said officers of Albemarle County Schools are authorized and directed to pay over to the Treasurer of Virginia from time to time such sums as are due to be paid by Albemarle County Schools for this purpose.

Chairman, Albemarle County School Board

CERTIFICATE

I, Jennifer Johnston, Clerk of the Albemarle County School Board, certify that the foregoing is a true and correct copy of a resolution passed at a lawfully organized meeting of the School Board held at Albemarle County, Virginia at 6:30 p.m. o'clock on June 14, 2012.

Given under my hand and seal of the Albemarle County School Board this ____ day of June, 2012.

Clerk, Albemarle County School Board

**This resolution must be passed prior to July 1, 2012 and
received by VRS no later than July 10, 2012.**