

ENROLLED ORDINANCE 166-9

APPROVE WAUKESHA COUNTY PICK-UP OF EMPLOYEE RETIREMENT
CONTRIBUTIONS PURSUANT TO IRC §414(h)(2)

WHEREAS, Internal Revenue Code (“Code”) section 414(h)(2) permits public employers to “pick up” contributions to a governmental pension plan that are designated as employee contributions so that they may be paid for on a pre-tax basis and thereby be excluded from an employee’s taxable income, provided the contributions are paid by the employer in lieu of contributions by the employee, and the employee may not elect, directly or indirectly, to receive the amounts instead of having them paid by the employer, and

WHEREAS, Waukesha County has determined that taking this action does not increase the County’s cost of funding the retirement benefits owed to the Wisconsin Retirement System and chooses to take this action in order to allow covered employees to exclude such amounts from their taxable income due to the application of Code section 414(h)(2).

THE COUNTY BOARD OF SUPERVISORS OF THE COUNTY OF WAUKESHA ORDAINS that pursuant to Internal Revenue Code section 414(h)(2), Waukesha County hereby elects to pick-up all contributions designated as employee contributions that its covered employees owe to the Wisconsin Retirement System (“WRS”).

BE IT FURTHER ORDAINED that pursuant to this Ordinance, all contributions that are designated as employee contributions to WRS will be paid by Waukesha County in accordance with the rules of Code section 414(h)(2); these pick up contributions will be withheld from employee wages as a condition of employment with no individual discretion by employees to have some other amount withheld or to have no amount withheld.

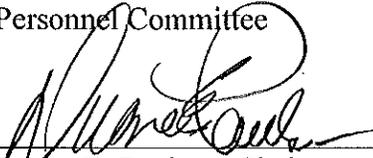
BE IT FURTHER ORDAINED that this Ordinance is effective upon publication, and contributions to WRS made prior to this date will not be subject to these provisions.

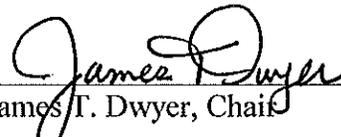
APPROVE WAUKESHA COUNTY PICK-UP OF EMPLOYEE RETIREMENT
CONTRIBUTIONS PURSUANT TO IRC §414(h)(2)

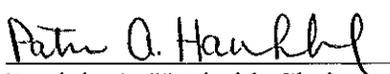
Presented by:
Personnel Committee

Approved by: Executive
Committee

Approved by:
Finance Committee


Duane E. Paulson, Chair


James T. Dwyer, Chair

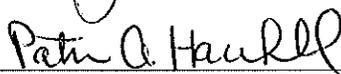

Patricia A. Haukohl, Chair

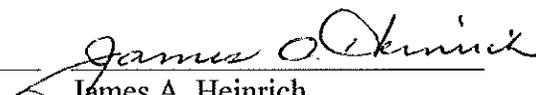
Absent (Resigned)
Kathy A. Chiaverotti


Janel Brandtjen


Dave Falstad


Paul L. Decker

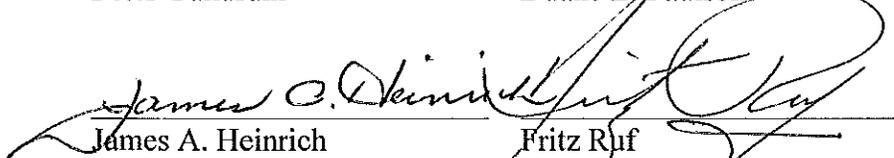

Patricia A. Haukohl


James A. Heinrich

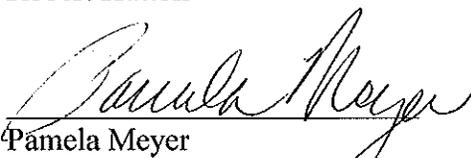

Peter Gundrum


Duane E. Paulson

absent
Robert Hutton

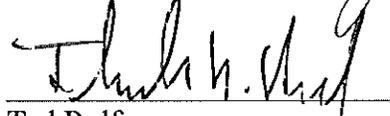

James A. Heinrich

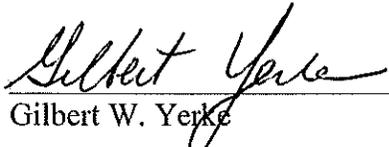

Fritz Ruf

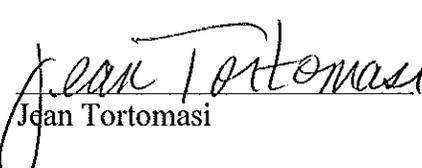

Pamela Meyer

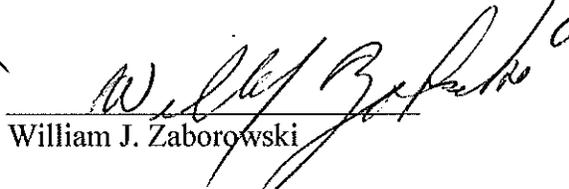
Absent
Steven C. Wimmer


David W. Swan


Ted Rolfs


Gilbert W. Yerke


Jean Tortomasi


William J. Zaborowski

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, was presented to the County Executive on:

Date: 4-29-2011, 
Kathy Nickolaus, County Clerk

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, is hereby:

Approved: X
Vetoed: _____



Date: 4-29-11, _____
Daniel P. Vrakas, County Executive

FISCAL NOTE

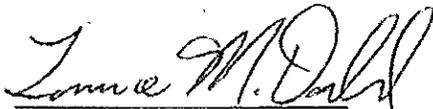
APPROVE WAUKESHA COUNTY PICK-UP OF EMPLOYEE RETIREMENT CONTRIBUTIONS PURSUANT TO IRC SECTION 414(h)(2)

Section 414(h)(2) of the Internal Revenue Code provides that certain governmental pension plans can designate employee contributions to be "picked up" by the employer and excludable from taxable income if the following conditions are met:

1. The employer must formally specify that the contributions, even though designated as employee contributions, will be paid by the employer in lieu of the employee making them.
2. The action can only be taken on a prospective (i.e. going forward) basis.
3. The employer action must be evidenced by a written document.
4. The arrangement must be mandatory. The employee must not be allowed to opt out of the pick up or be able to receive the contributed amount directly instead of having the employer pay them into the retirement plan.

This Ordinance, if approved, is designed to meet the above criteria.

Excluding employee contributions from taxable income will result in no fiscal impact to the County. However, it will reduce employee State and Federal taxable income in the year the contribution is deducted from their wages. Tax savings realized by the employees will depend on their individual situations. Social Security and Medicare taxes are unaffected by this action.



Lawrence M. Dahl
Accounting Services Manager
4/13/11
Lmd

WAUKESHA COUNTY BOARD OF SUPERVISORS

V

DATE-04/26/11

(ORD) NUMBER-1660010

1 D. FALSTAD.....AYE	2 T. ROLFS.....
3 R. HUTTON.....	4 J. DWYER.....AYE
5 J. JESKEWITZ.....AYE	6 J. BRANDTJEN.....AYE
7 P. HAUKOHL.....AYE	8 T. SCHELLINGER.....AYE
9 J. HEINRICH.....AYE	10 D. SWAN.....AYE
11 F. RUF.....AYE	12 P. WOLFF.....NAY
13 P. DECKER.....AYE	14 M. INDA.....AYE
15 P. MEYERS.....AYE	16 D. PAULSON.....AYE
17 J. TORTOMASI.....AYE	18 K. CUMMINGS.....AYE
19 S. WIMMER.....	20 P. JASKE.....AYE
21 W. ZABOROWSKI.....AYE	22 P. GUNDRUM.....AYE
23 K. ^{Vacant} CHIAVEROTTI	24 W. KOLB.....AYE
25 G. YERKE.....AYE	

TOTAL AYES-20

TOTAL NAYS-01

CARRIED X

DEFEATED _____

UNANIMOUS _____

TOTAL VOTES-21