

## RESOLUTION #2012-8

### Member Contributions by Salary Reduction for Counties, Cities, Towns, and Other Political Subdivisions

WHEREAS, the Madison County 55156 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, the Madison County 55156 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, the Madison County 55156 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, to offset the cost of the member contributions, 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 the Madison County 55156 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):

Type of Employee	Employee 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

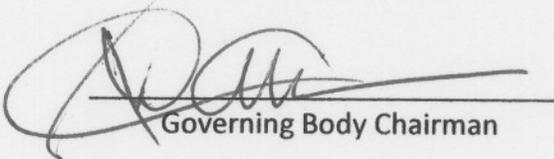
BE IT FURTHER RESOLVED, that such contributions, although designed as member contributions, are to be made by the Madison County in lieu of member contributions; and

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 by the Madison 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; and

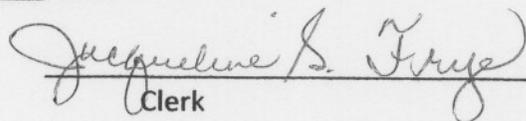
BE IT FURTHER RESOLVED, that notwithstanding any contractual or other provisions, the wages of each member of VRS who is an employee of the Madison County shall be reduced by the amount of member contributions picked up by the Madison County on behalf of such employee pursuant to the foregoing resolutions.

NOW, THEREFORE, THE OFFICERS OF Madison County 55156 are hereby authorized and directed in the name of the Madison County to carry out the provisions of this resolution and said officers of the Madison County 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 the Madison County for this purpose.

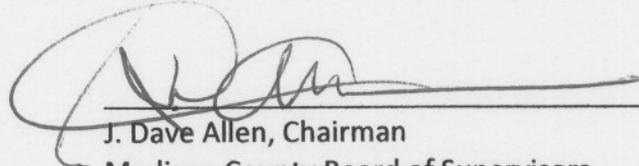
  
Governing Body Chairman

**CERTIFICATE**

I, Jacqueline S. Frye, Clerk of the Madison County, certify that the foregoing is a true and correct copy of a resolution passed at a lawfully organized meeting of the Madison County held at Madison, Virginia at 3:00 o'clock on Monday, June 11, 2012. Given under my hand and seal of the Madison County this 12th day of June, 2012.

  
Clerk

Adopted June 11, 2012, on motion of Supervisor Lackey, seconded by Supervisor Weakley.

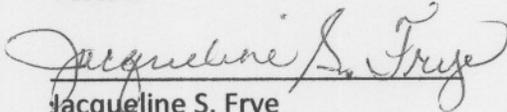


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J. Dave Allen, Chairman  
Madison County Board of Supervisors

	Aye	Nay	Abstain	Absent
J. Dave Allen	<u>  x  </u>	<u>      </u>	<u>      </u>	<u>      </u>
Doris G. Lackey	<u>  x  </u>	<u>      </u>	<u>      </u>	<u>      </u>
Jerry J. Butler	<u>  x  </u>	<u>      </u>	<u>      </u>	<u>      </u>
Pete J. Elliott	<u>      </u>	<u>  x  </u>	<u>      </u>	<u>      </u>
Jonathon Weakley	<u>  x  </u>	<u>      </u>	<u>      </u>	<u>      </u>

Testee:



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Jacqueline S. Frye  
Clerk to the Board