

**CITY OF CEDARBURG  
RESOLUTION NO. 2011-08**

**A RESOLUTION IMPLEMENTING CITY 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**, the Common Council of the City of Cedarburg (“City”) has determined that taking this action does not increase the City’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);

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. Pursuant to Code section 414(h)(2), the Council, on behalf of the City of Cedarburg, hereby elects to pick-up all contributions designated as employee contributions that its covered employees owe to the Wisconsin Retirement System (“WRS”).
2. Pursuant to this resolution all contributions that are designated as employee contributions to WRS will be paid by the City 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.
3. The terms of this resolution shall be effective when employees are required to make a mandatory employee contribution by salary reduction to WRS.

**PASSED AND ADOPTED** by the Common Council of the City of Cedarburg, County of Ozaukee, State of Wisconsin on this 13<sup>th</sup> day of June, 2011.

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Paul Radtke, Acting Mayor

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Constance K. McHugh, City Clerk

Approved as to form:

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Kaye K. Vance, City Attorney