

TOWN OF EDGEWOOD

RESOLUTION NO. 2003-15

WHEREAS, the Employees of the Town of Edgewood, with few exceptions, are members of the Public Employees Retirement Association of New Mexico; and

WHEREAS, members have mandatory PERA contributions deducted from their compensation and paid to PERA; and

WHEREAS, members must pay federal income tax on the mandatory PERA contributions deducted from their compensation; and

WHEREAS, Section 414(h) of the Internal Revenue Code provides for the exclusion of such contributions from current income if the contribution are picked up by the members' employer; and

WHEREAS, the Governing Body of the Town of Edgewood has the authority to establish the compensation plan(s) for employees of the Town of Edgewood;

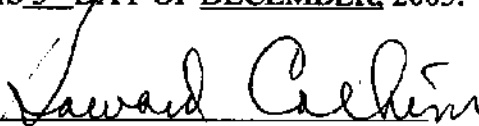
NOW, THEREFORE, BE IT RESOLVED by the State of New Mexico, acting by the through the Public Employees Retirement Association, that the Town of Edgewood, as employer, shall pick-up the member contributions required of all PERA member in its employ. The picked-up member contributions shall be treated as employer contributions for the purpose of determining tax treatment under the Internal Revenue Code. Member contributions picked up shall not be included in the employee's gross income for tax purposes until such time as the picked-up contributions are distributed by refund or annuity payments.

The Town of Edgewood shall pick up the member contributions from funds established and available in the payroll account, which funds would otherwise have been designated as member contributions, deducted from the member's salary and paid to PERA. Member contributions picked up pursuant to this resolution shall be treated for all other purposes the same as member contributions made prior to the effective date of this Resolution.

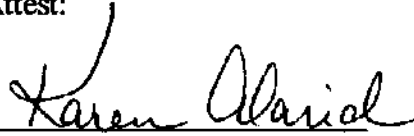
The Town of Edgewood will ensure that it has the expertise and equipment to implement the change in payroll records and the preparation of W-2 forms at the end of each calendar year.

Adoption of this resolution is applicable to, and incorporates by reference, the Town of Edgewood resolution that adopted the following Coverage Plans: Municipal General Member Plan 2.

PASSED, APPROVED AND ADOPTED BY THE GOVERNING BODY OF
THE TOWN OF EDGEWOOD ON THIS 3rd DAY OF DECEMBER, 2003.


Howard Calkins Mayor

Attest:


Karen Alarid Clerk-Treasurer

