

**BOARD OF SUPERVISORS  
COUNTY OF NEW KENT, VIRGINIA**

**R-23-10**

At the regular meeting of the New Kent County Board of Supervisors in the Boardroom of the Administration Building in New Kent, Virginia, on the 14<sup>th</sup> day of June, 2010:

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Present:	Vote:
Thomas W. Evelyn	Aye
James H. Burrell	Aye
Stran L. Trout	Aye
W. R. Davis, Jr.	Aye
David M. Sparks	Aye

Motion was made by Mr. Davis, which carried 5:9, to adopt the following resolution:

**AUTHORIZATION TO PICK-UP  
THE EMPLOYEE'S CONTRIBUTION TO VRS  
UNDER § 414(H) OF THE  
INTERNAL REVENUE CODE  
FOR PLAN 2 EMPLOYEES**

WHEREAS, the Virginia General Assembly, in its 2010 session passed legislation creating a separate retirement plan for employees hired on or after July 1, 2010 (hereafter referred to as "Plan 2 Employees"). The legislation stipulates that Plan 2 Employees will pay their 5 percent member contribution and that, absent other action by the employer, such contribution will be paid through salary reduction according to Internal Revenue Code § 414 (h) on a pre-tax basis; and

WHEREAS, the legislation allows certain employers, including the County of New Kent, to pick-up and pay all or a portion of the member contributions on behalf of its Plan 2 Employees as an additional benefit not paid as salary; and

WHEREAS, the election to pick-up and pay all or a portion of the member contributions on behalf of its Plan 2 Employees as an additional benefit not paid as salary shall, once made, remain in effect for the applicable fiscal year (July 1 - June 30) and shall continue in effect beyond the end of such fiscal year absent a subsequent resolution changing the way the 5 percent member contribution is paid; and

WHEREAS, employee contributions that are picked-up as an additional benefit not paid as salary are not considered wages for purposes of VA Code § 51.1-700 et seq. nor shall they be considered salary for purposes of VA Code § 51.1-100 et seq.; and

WHEREAS, the County of New Kent desires to pick-up and pay its Plan 2 Employees' member contributions to VRS as an additional benefit not paid as salary in an amount equal to 5% of creditable compensation; and

WHEREAS, VRS tracks such picked-up member contributions and is prepared to treat such contributions as employee contributions for all purposes of VRS.

NOW, THEREFORE, IT IS HEREBY RESOLVED that effective the first day of July, 2010, the County of New Kent shall pick-up member contributions of its Plan 2 Employees to VRS as an additional benefit not paid as salary in an amount equal to 5% of creditable compensation subject to the terms and conditions described above; and

IT IS FURTHER RESOLVED that such contributions, although designated as member contributions, are to be made by the County of New Kent in lieu of member contributions; and

IT IS FURTHER RESOLVED that nothing herein shall be construed so as to permit or extend an option to VRS members to receive the picked-up contributions made by the County of New Kent directly instead of having them paid to VRS.

Adopted in New Kent County, Virginia this 14th day of June, 2010.



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G. Cabell Lawton IV  
County Administrator



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David M. Sparks  
Chairman