

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

R-19-08

At the regular meeting of the Board of Supervisors of the County of New Kent in the Boardroom of the Administration Building in New Kent, Virginia, on the 11th day of August, 2008:

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

Motion was made by Mr. Trout, which carried 5:0 to adopt the following resolution:

**RESOLUTION IN AFFIRMATION OF AUTHORIZATION
TO PICK UP THE EMPLOYEE'S CONTRIBUTION TO VRS
FOR NEW KENT COUNTY, 55163, UNDER § 414(h) OF
THE INTERNAL REVENUE SERVICE CODE**

WHEREAS, the County of New Kent provides its employees with tax deferral pursuant to § 414(h) of the Internal Revenue Code with respect to their member contributions to the Virginia Retirement System (referred to as VRS) by picking up member contributions to VRS; and

WHEREAS, VRS keeps track of such picked up member contributions, and treats such contributions as employee contributions for all purposes of VRS; and

WHEREAS, the Internal Revenue Service in Notice 2006-43 has provided transition relief for existing pick-up arrangements provided that an authorized person takes formal action to evidence the establishment of the pick-up arrangement no later than January 1, 2009; and

WHEREAS, in order to avail itself of the protection given under Notice 2006-43, the County of New Kent desires to affirm its intention to establish and maintain a pick-up arrangement through formal action by its governing body.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the New Kent County Board of Supervisors that the existing member contribution pick-up arrangement is hereby affirmed as it relates to salary reduction elections in effect prior to the date of this Resolution; and

IT IS FURTHER RESOLVED that effective the first pay day on or after August 11, 2008, the County of New Kent shall pick up member contributions of its employees to VRS, and such contributions shall be treated as employer contributions in determining tax treatment under the Internal Revenue Code of the United States; and

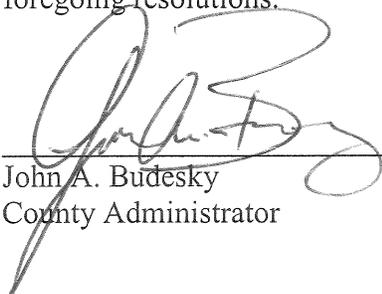
IT IS FURTHER RESOLVED that such contributions, although designated as member contributions, are to be made by the County of New Kent in lieu of member contributions; and

IT IS FURTHER RESOLVED that pick-up member contributions shall be paid from the same source of funds as used in paying the wages to affected employees; and

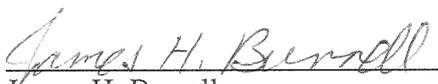
IT IS FURTHER RESOLVED that member contributions made by the County of New Kent under the pick-up arrangement shall be treated for all purposes other than income taxation, including but not limited to VRS benefits, in the same manner and to the same extent as member contributions made prior to the pick-up arrangement; and

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

IT IS FURTHER RESOLVED that notwithstanding any contractual or other provisions, the contributions of each member of VRS who is an employee of the County of New Kent shall be picked up either through a reduction in the current salary of such employee or as an offset against future salary increases of such employee or as a combination of both at the option of the employer by the County of New Kent on behalf of such employee pursuant to the foregoing resolutions.



John A. Budesky
County Administrator



James H. Burrell
Chairman