

RESOLUTION NO. 05-2020

**RESOLUTION ELECTING TO JOIN THE PUBLIC EMPLOYEES’
RETIREMENT FUND AS ADMINISTERED BY THE
INDIANA PUBLIC RETIREMENT SYSTEM AND UPDATE
CURRENT LIST OF EMPLOYEES COVERED BY
INDIANA PUBLIC RETIREMENT SYSTEM
AND RESTATING THE PREVIOUS RESOLUTION**

SUMMARY

This Resolution adopts the election to join the Public Employees’ Retirement Fund as administered by the Indiana Public Retirement System and updates current list of employees covered by the Indiana Public Retirement System for the City of Auburn, Indiana. This Resolution also restates and incorporates the previous election and Resolution.

Attached as Appendix “A” is a list of the positions who shall be covered by the Indiana Public Retirement System for the City of Auburn, Indiana along with any other similarly situated full time employees.

_____ Recorder’s Office	_____ Publish Public Hearing
_____ Auditor’s Office	_____
_____ Clerk’s Office	_____ Publish O/R after adoption
_____ Other	_____

RESOLUTION NO. 05-2020

RESOLUTION ELECTING TO JOIN THE PUBLIC EMPLOYEES' RETIREMENT FUND AS ADMINISTERED BY THE INDIANA PUBLIC RETIREMENT SYSTEM AND UPDATE CURRENT LIST OF EMPLOYEES COVERED BY INDIANA PUBLIC RETIREMENT SYSTEM AND RESTATING THE PREVIOUS RESOLUTION

WHEREAS, the City of Auburn, Indiana Common Council is the governing body of the Municipal City of Auburn, IN a political subdivision in the STATE OF INDIANA and acts as the legislative body of the City; and

WHEREAS, for the purposes of this document and interpretation of statutes governing the Public Employees Retirement Fund ("PERF"), "Plan" refers to the public employees' defined contribution plan under IC 5-10.3-12 "Fund" refers to the PERF Hybrid defined benefit pension fund ("PERF Hybrid").

WHEREAS, the governing body is fully cognizant that, if it is resolved that the governing body will place any employees in the Fund, the percentage of cost of gross annual payroll of covered employees has been set by INPRS by the actuary of the Fund, and that the Board of Trustees of the Indiana Public Retirement System directs the actuary to annually review the status of the employees covered and shall adjust the cost percentage accordingly so that the Fund will remain on an actuarially sound basis; and

WHEREAS, the governing body is fully cognizant that, if it is resolved that the governing body will require employees to enter the Plan, the governing body shall submit a resolution with the following information regarding their participation in the Plan:

1. Specify the political subdivision's contribution rate to the plan as a percentage of each member's compensation AND pay such contributions as required under IC 5-10.3-12-23; and IC 5-10.3-12-24.5. Such rates must be greater than or equal to zero percent (0%) and may not exceed the percentage that would produce the normal cost for participation in the fund under IC 5-10.2-2-11.
2. Specify whether the political subdivision will pay any part of a member's contribution on behalf of the member;
3. Specify whether employees will automatically be enrolled in the Fund if an eligible employee does not make an affirmative election.

WHEREAS, if such governing body participates in Fund, such governing body acknowledges its liability and that, pursuant to law, it and its successors in office, must appropriate sufficient funds each year to retire the employees' prior service liability in an orderly manner and also fund the current cost accruing annually.

WHEREAS, such governing body acknowledges and agrees, when an employee separates from service before the member is fully vested in the employer contribution subaccount, the amount in the employer contribution subaccount is forfeited as of the date the member separates from service and that such forfeited amounts shall be used to reduce the unfunded accrued liability of the fund as determined under IC 5-10.2-2-11(a)(3) and IC 5-10.2-2-11(a)(4). Employers without an unfunded liability, such as employers joining PERF for the first time and offering only Plan membership, such forfeited amounts will be returned to the employer in the form of a credit to the employer contribution subaccount.

WHEREAS, the General Assembly of the State of Indiana has authorized covered employers to pick-up all or part of members' mandatory contributions.

NOW THEREFORE, BE IT ORDAINED by the governing body of the Municipal City of Auburn in the State of Indiana:

SECTION ONE: The Municipal City of Auburn, Indiana now restates and elects to become a participating political subdivision or miscellaneous participating entity in the Public Employees' Retirement Fund by including classes of employees as stated below in the coverage under Chapter 340 of the Acts of 1945, and all Acts amendatory thereof and supplemental thereto. All previous elections are restated and incorporated into this Resolution, so that current participants benefits shall continue uninterrupted.

SECTION TWO: The City of Auburn, Indiana elects to offer the following retirement plan(s) under the Public Employees' Retirement Fund:

 X PERF Hybrid

SECTION THREE: If an employee is eligible to choose membership in either the Fund or the Plan, and that employee fails to make an election within the period set forth in IC 5-10.3-12-20 and 35 IAC 1.3-4-1, said employee will be automatically and irrevocably enrolled in the following plan:

 X PERF Hybrid

SECTION FOUR: That, effective retroactively to January 1, 2020 this political subdivision Shall pick up all of the mandatory contribution for all employees including the Mayor and the Clerk-Treasurer who are members of PERF. Said employees shall not be entitled to choose to receive the contributed amounts directly instead of having them paid by the employer to the specified pension fund.

CHOOSE EITHER 4A OR 4B

X **4A. New Money Pick-Up** - That the above contributions, even though designated as employee contributions for state law purposes, are being paid by the employer in addition to regular compensation as a supplemental contribution that is separate and distinct from the employees' current or future compensation, and in lieu of contributions by the employees. Such contributions will not be included in the gross income of the employees for any tax reporting purposes, such as for federal, state or local income tax withholding, or FICA taxes, until distributed either through a pension benefit or a lump sum payment. These contributions are made on a pre-tax basis and are paid by the employer on behalf of the employee.

_____ **4B. Salary Reduction Pick-Up** - That said contributions, even though designated as employee contributions for state law purposes, are being paid by the employer via a reduction in salary. Such contributions will not be included in the gross income of the employees for certain tax reporting purposes, that is, for federal, state, or local income tax withholding, until distributed either through a pension benefit or a lump sum payment. Such contributions will be included in the gross income of the employees for FICA taxes when they are made. These contributions are made on a pre-tax basis but are paid by the employee through a payroll deduction.

SECTION FIVE: The positions listed on an attached document are declared covered by the Fund, as indicated in the attached document.

SECTION SIX: It is hereby declared that none of the classifications or positions specified in Section Three are compensated on a fee basis or of an emergency nature, or in a part-time category.

SECTION SEVEN: The active participation membership of the City of Auburn, Indiana shall continue for all previous council employees and shall be upheld to include any new employees as of January 1, 2020 and is updated by this Resolution. Specifically, the Mayor of the Municipal City of Auburn, Indiana is considered a full-time employee for purposes of this Resolution and shall be entitled to the same benefits as all other full-time employees under the jurisdiction of City of Auburn. Further, all previous employees' benefits are incorporated herein and shall continue. Further, the positions listed on Appendix "A" are intended to be an inclusive list of all full-time employees eligible for benefits under the Plan, any position not listed is merely an oversight and upon establishing the position as full time shall be included. Further any newly created positions shall also allow for participation, as long as the position is of like-kind to other full-time positions in the City of Auburn, as it relates to hours worked and other available benefits provided to any other full-time employee.

SECTION EIGHT: This resolution shall be in full force and effect from date of passage and upon approval of the Board of Trustees of the Indiana Public Retirement System, except that active participating membership shall begin on the date set forth in Section Seven (7).

1st Reading: _____
2nd Reading: _____

PASSED AND ADOPTED by the Common Council of the City of Auburn, Indiana this _____ day of _____, 2020.

JAMES FINCHUM, Councilmember

ATTEST:

Patricia Miller, Clerk-Treasurer

Presented by me to the Mayor of the City of Auburn, Indiana, this _____ day of _____, 2020.

PATRICIA MILLER, Clerk-Treasurer

APPROVED AND SIGNED by me this _____ day of _____, 2020.

MICHAEL D. LEY, Mayor

1st Reading: _____
2nd Reading: _____

VOTING:

AYE

NAY

James Finchum

Mike Watson

Dennis K. Kruse II

Wayne Madden

Dennis Ketzenberger

Kevin Webb

Michael Walter

APPENDIX "A"

COVERED POSTION(s)

Accountant
Accounts Payable Clerk
Administrative Assistant
Administrator
Assistant Superintendent
Building Inspector
City Engineer
Civilian Ordinance Enforcement
Clerical Assistant
Clerk-Treasurer
Coordinator
Customer Service Representative
Deputy
Director
Executive Assistant
Facilities Locator
Fire Enforcement
General Laborer
General Manager
Investigator
Lineman
Maintenance
Manager
Mayor
Mechanic
Public Safety Chief
Purchasing Agent
Special Equipment Operator
Specialist
Superintendent
Supervisor
Technician
Tree Trimmer
Truck Driver