Board of Police Commissioners of Kansas City, Missouri		Section: 500 Resolution
Subject: RESOLUTION OF THE BOARD OF POLICE COMMISSIONERS AUTHORIZING THE TREATMENT OF EMPLOYER CONTRIBUTIONS AS PROVIDED BY SECTION 414(h)(2) OF THE UNITED STATES INTERNAL REVENUE CODE		Number: 03-06
Rescinds:	Date Approved: July 22, 2003	Page: 1 of 2

**WHEREAS**, the Missouri legislature passed House Bill 152, said bill having been signed by the Governor on Friday, July 11, 2003, and

**WHEREAS**, House Bill 152 created two (2) new sections of Missouri law, Sections 86.374 and 86.611 of the Revised Statutes of Missouri, authorizing the treatment of employees' contributions as outlined herein, and

**WHEREAS**, the Board of Police Commissioners (Board) desires to treat contributions by the active members of the Police Retirement System of Kansas City and of the Civilian Employees Retirement System of the Police Department of Kansas City as provided by Section 414(h)(2) of the United States Internal Revenue Code.

## **NOW THEREFORE.** Board does resolve as follows:

- 1. The Board of Police Commissioners, as employer of the active members of the Police Retirement System of Kansas City and of the Civilian Employees Retirement System of the Police Department of Kansas City, shall pick up the employee contributions required of the active members of said Retirement Systems. Such contributions shall be treated as employer contributions as provided by Section 414(h)(2) of the United States Internal Revenue Code, commencing with the first pay period beginning after August 28, 2003, for purposes of determining tax treatment under the Internal Revenue Code, including the amounts of taxable income earned by each member for federal and state income tax and city earnings tax purposes and the amounts of federal and state income taxes and city earnings tax to withhold from the member's compensation.
- 2. Member contributions picked up by the employer shall be paid from the same source of funds as used for the payment of compensation to such member, and shall be paid to said Retirement Systems in lieu of the contributions otherwise required of members of said systems. No member shall have the option to receive directly such

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member's contribution so picked up instead of having it paid to such member's Retirement System. A deduction shall be made from each member's compensation equal to the amount of the member's contribution so picked up. Such deduction shall not reduce the member's compensation for purposes of computing benefits under said Retirement Systems.

3. Member contributions picked up by the employer shall be credited to a separate account within the member's individual account so that amounts contributed by the member prior to the implementation of the pick-up of contributions by the employer can be distinguished from member contributions picked up by the employer. Interest shall be added annually to the individual accounts of members of the Civilian Employees Retirement System of the Police Department of Kansas City, including both the portion of such accounts representing contributions made directly by the member and the portion of such account representing picked-up contributions.

RESOLVED this 22nd day of July 2003.

Mayor Kay Barnes, Member

Board of Police Commissioners of	r Kansas City, Missouri
Karl Zobrist, President	Javier M. Perez, Jr., Vice President
Angela Wasson-Hunt, Treasurer	Dr. Stacey Daniels-Young, Member