

PICK-UP RESOLUTION
OF QUEEN ANNE'S COUNTY, MARYLAND
FOR THE MARYLAND STATE RETIREMENT AND PENSION SYSTEM
RESOLUTION NO. 19-08

The Board of County Commissioners of Queen Anne's County, Maryland met at a duly called and authorized meeting on the date set forth below, such meeting being duly called pursuant to a notice stating the time, place and purpose of the meeting received by all Queen Anne's County commissioners, and the following resolutions were made, seconded, and adopted by those present at the meeting.

WHEREAS, Queen Anne's County is currently a participating governmental unit in the Maryland Employees' Pension System ("EPS") and the Maryland Law Enforcement Officers' Pension System ("LEOPS"), and has elected to become a participating governmental unit in the Maryland Correctional Officers' Retirement System ("CORS") effective on July 1, 2019;

WHEREAS, local detention center officers employed by Queen Anne's County ("officers") will be eligible to participate in CORS effective July 1, 2019, and all current officers and new officers hired on or after July 1, 2019 will be enrolled in CORS;

WHEREAS, the Queen Anne's County Board of County Commissioners has the authority to adopt this resolution on behalf of Queen Anne's County;

WHEREAS, the State Retirement Agency has adopted procedures for reporting picked-up contributions in order to provide consistency in the administration of State law;

WHEREAS, in accordance with Annotated Code of Maryland, State Personnel and Pensions Article ("SPP"), § 21-313, an approved employer may pick-up all of the mandatory employee contributions for its employees participating in the Maryland State Retirement and Pension System; and

WHEREAS, Queen Anne's County is currently an approved employer with respect to the EPS and LEOPS in accordance with SPP § 21-313, and now desires to confirm that it is an approved employer with respect to CORS, and to pick up all of the mandatory employee contributions for Queen Anne's County officers participating in CORS;

NOW, THEREFORE, BE IT RESOLVED, that beginning on and after July 1, 2019, which is the effective date of Queen Anne's County's participation in CORS, the Queen Anne's County Board of County Commissioners has determined to pick up all of the mandatory contributions by the employees who are members of CORS through a payroll reduction;

BE IT FURTHER RESOLVED, that said picked-up contributions paid by payroll reduction, even though designated as employee contributions for state law purposes, are being paid by the Queen Anne's County in lieu of said contributions by the employee;

BE IT FURTHER RESOLVED, that, in addition to CORS, the pick-up treatment shall continue for all Queen Anne's County employees who participate in the EPS and LEOPS;

BE IT FURTHER RESOLVED, that said members of the EPS, LEOPS and CORS shall not be entitled to any option of choosing to receive the contributed amounts directly instead of having them paid by the Queen Anne's County to the EPS, LEOPS and CORS. This pick-up applies to mandatory contributions that the employee is required to make to EPS, LEOPS and CORS;

BE IT FURTHER RESOLVED, that picked-up contributions will not be included in the gross income of the employees for tax reporting purposes, that is, for federal income tax withholding taxes, until distributed from the EPS, LEOPS and CORS;

BE IT FURTHER RESOLVED, that picked-up contributions will be included in the gross income of the employees, for employment tax purposes, if required, as the contributions are made to the EPS, LEOPS and CORS; and

BE IT FURTHER RESOLVED, that this resolution is designed to comply with the formal action requirement set forth in Revenue Ruling 2006-43, issued by the Internal Revenue Service. The resolution should only be used where the contributions to be picked up are mandatory employee contributions. This resolution does not apply if a participating employee from and after the date of the "pick-up" has a cash or deferred election right (within the meaning of Section 1.401(k)-1(a)(3)) with respect to designated employee contributions. Thus, for example, participating employees must not be permitted to opt out of the "pick-up", or to receive the contributed amounts directly instead of having them paid by the employing unit to the System.

The above Resolution was introduced and adopted at the regularly scheduled meeting of the Board of County Commissioners of Queen Anne's County, Maryland, on April 23, 2019, and shall become effective on July 1, 2019.

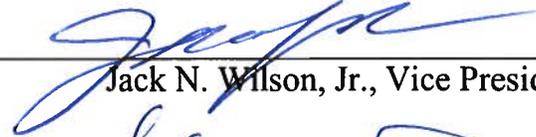
(Signatures continue on next page)

Attest:

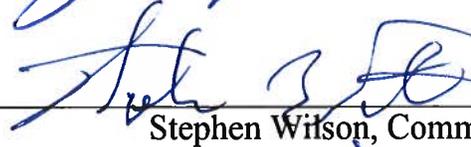


Absent

James J. Moran, President



Jack N. Wilson, Jr., Vice President



Stephen Wilson, Commissioner



Philip L. Dumenil, Commissioner



Christopher M. Corchiarino, Commissioner