ORDINANCE NO. 2507

AN ORDINANCE of the City of Kent, Washington taking advantage of opportunities extended by 26 USC Section 414(h) and Chapter 227, Laws of 1984 for deferral of federal income taxes upon employee contributions to the Law Enforcement Officers and Firefighters Retirement System and the Washington Public Employees Retirement System; authorizing the making of the "employer's pick-up" (payment of the employee's contribution and the making of a corresponding reduction in wages or salaries); and adding a new section to the Kent City Code in connection therewith.

THE CITY COUNCIL OF THE CITY OF KENT, WASHINGTON DOES ORDAIN AS FOLLOWS:

Section 1. The City hereby elects to extend to the members of the Law Enforcement Officers and Firefighters Retirement System and the Washington Public Employees Retirement System employed by the City the tax deferral benefits allowed under 26 USC Section 414(h) and Chapter 227, Laws of 1984 with respect to compensation for and after the pay period December 16 through December 31, 1984 and payable on January 4, 1985, and the City Administrator is authorized to notify the Director of the Department of Retirement Systems of the State of Washington as to the City's election and to explain the effects of this election to all members of the system employed by the City. In making this election, the City reserves the power to withdraw its exercise of this option as to each retirement system as contemplated by Section 3(2) of Chapter 227, Laws of 1984, in any later calendar year.

Section 2. There is added to the Kent City Code Chapter 2.40, a new section, designated 2.40.500, as follows:

2.40.500. CONTRIBUTIONS TO LEOFF: PERS--ADJUSTMENT FOR FEDERAL INCOME TAX PURPOSES. To carry out the City's election to take advantage of the opportunities extended by 26 USC 414(h) and Chapter 227, Laws of 1984 for deferral of federal income taxes upon members' contributions to the Law Enforcement Officers and Firefighters Retirement System and the Washington Public Employees Retirement System, the City will pay those members' contributions
under RCW 41.26.080(1) and 41.26.450 and RCW 41.40.330(1) and
41.40.650 respectively for and after the pay period commencing
December 16 through December 31, 1984 and payable on January 4,
1985, and will reduce the members' wages or salary by the amount
of the City's contribution so paid. The foregoing payment and
wage/salary reduction is made under these conditions and limita-
tions.

A. This arrangement is made for purposes of federal
income taxation. An employee's wages or salary for purposes of
the Federal Insurance Contributions Act (social security tax), the
City's salary and wage ordinances, and policies, and other
purposes shall be computed as if the foregoing contribution and
 corresponding salary or wage reduction had not been made; and
B. The City may withdraw its election to make such
adjustments as contemplated by Section 3(2) of Chapter 227, Laws
of 1984 and no affected member shall be entitled to continuance of
the adjustment thereafter. Should the City revoke any employee
benefit as a result of said election or other action consistent
with this section, no affected employee shall be entitled there-
after to receive such benefit as a matter of contractual right.

Section 3. Any act consistent with the authority and
prior to the effective date of this ordinance is hereby ratified
and confirmed.

Section 4. Effective Date. This ordinance shall take
effect and be in force five (5) days from and after its passage,
approval and publication as provided by law.

ISABEL HOGAN, MAYOR

ATTEST:

BETTY GRAY, DEPUTY CITY CLERK
APPROVED AS TO FORM:

P. STEPHEN DIJULIO, CITY ATTORNEY

PASSED the 19th day of November, 1984.
APPROVED the 30th day of November, 1984.
PUBLISHED the 23rd day of November, 1984.

I hereby certify that this is a true copy of Ordinance No. 2507, passed by the City Council of the City of Kent, Washington, and approved by the Mayor of the City of Kent as hereon indicated.

BETTY GRAY, DEPUTY CITY CLERK