

RESOLUTION

AFFIRMATION OF AUTHORIZATION TO PICK-UP THE EMPLOYEE'S CONTRIBUTION

TO VRS FOR JAMES CITY SERVICE AUTHORITY, 55455 UNDER § 414(h) OF THE

INTERNAL REVENUE CODE

WHEREAS, James City Service Authority (JCSA) 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 (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 JCSA desires to affirm its intention to establish and maintain a pick-up arrangement through formal action by its governing body.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the James City Service Authority, James City County, Virginia, 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.

BE IT FURTHER RESOLVED that effective the first pay day on or after August 12, 2008, the JCSA 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.

BE IT FURTHER RESOLVED that such contributions, although designated as member contributions, are to be made by the JCSA in lieu of member contributions.

BE IT 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.

BE IT FURTHER RESOLVED that member contributions made by the JCSA 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 JCSA directly instead of having them paid to VRS.

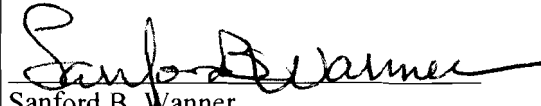
BE IT FURTHER RESOLVED that nothing herein shall be construed so as to permit or extend an option to VRS members to receive the pick up contributions made by the James City Service Authority directly instead of having them paid to VRS.

BE IT FURTHER RESOLVED that notwithstanding any contractual or other provisions, the contributions of each member of VRS who is an employee of the JCSA 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 JCSA on behalf of such employee pursuant to the foregoing resolutions.



James O. Icenhour, Jr.
Chairman, Board of Directors

ATTEST:



Sanford B. Wanner
Secretary to the Board

<u>DIRECTOR</u>	<u>VOTE</u>
MCGLENNON	AYE
GOODSON	AYE
JONES	AYE
KENNEDY	AYE
ICENHOUR	AYE

Adopted by the Board of Directors of the James City Service Authority, James City County, Virginia, this 12th day of August, 2008.

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