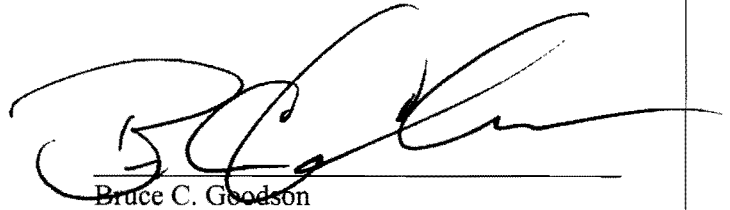


## RESOLUTION


### CONTRIBUTION TO VIRGINIA RETIREMENT SYSTEM (VRS) PLAN 2

- WHEREAS, the Virginia General Assembly in its 2010 session passed legislation creating a separate retirement plan for employees hired on or after July 1, 2010 (hereafter referred to as "Plan 2 Employees"). The legislation stipulates that Plan 2 Employees will pay their five-percent member contribution and that, absent other action by the employer, such contribution will be paid through salary reduction according to Internal Revenue Code § 414 (h) on a pre-tax basis; and
- WHEREAS, the legislation allows certain employers, including the James City Service Authority, to pick up and pay all or a portion of the member contributions on behalf of its Plan 2 Employees as an additional benefit not paid as salary; and
- WHEREAS, the election to pick up and pay all or a portion of the member contributions on behalf of its Plan 2 Employees as an additional benefit not paid as salary shall, once made, remain in effect for the applicable fiscal year (July 1 - June 30) and shall continue in effect beyond the end of such fiscal year absent a subsequent resolution changing the way the five-percent member contribution is paid; and
- WHEREAS, employee contributions that are picked up as an additional benefit not paid as salary are not considered wages for purposes of VA Code § 51.1-700 et seq. nor shall they be considered salary for purposes of VA Code § 51.1-100 et seq.; and
- WHEREAS, the James City Service Authority desires to pick up and pay its Plan 2 Employees' member contributions to VRS as an additional benefit not paid as salary in an amount equal to five percent of creditable compensation; and
- WHEREAS, VRS tracks such picked-up member contributions and is prepared to treat such contributions as employee contributions for all purposes of VRS.
- NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the James City Service Authority, James City County, Virginia, that effective the first day of July 2010, the James City Service Authority shall pick up member contributions of its Plan 2 Employees to VRS as an additional benefit not paid as salary in an amount equal to five percent of creditable compensation subject to the terms and conditions described above.
- BE IT FURTHER RESOLVED that such contributions, although designated as member contributions, are to be made by the James City Service Authority in lieu of member contributions.
- BE IT FURTHER RESOLVED that nothing herein shall be construed so as to permit or extend an option to VRS members to receive the picked-up contributions made by the James City Service Authority directly instead of having them paid to VRS.



Bruce C. Goodson  
Chairman, Board of Directors

ATTEST:



Sanford B. Wanner  
Secretary to the Board

<u>DIRECTOR</u>	<u>VOTE</u>
MCLENNON	AYE
ICENHOUR	AYE
JONES	NAY
KENNEDY	AYE
GOODSON	NAY

Adopted by the Board of Directors of the James City Service Authority, James City County, Virginia, this 22nd day of June, 2010.

VRSPlan2\_res