

**Sample Board Resolution for Adoption of a Tax-Deferred Payroll Deduction Plan**

**Tax-Deferred Payroll Deduction Plan**

Whereas under Section 3307.70, Revised Code, authorizes STRS Ohio to establish by rule payroll deduction plans for payment of the cost of restoring service credit under Sections 3307.71 or 3307.711, R.C., or purchasing any service credit members of STRS Ohio are eligible to purchase under Chapter 3307, R.C.; and

Whereas State Teachers Retirement Board Rule 3307:1-3-11(M) and Internal Revenue Code Section (414)(h)(2) permit \_\_\_\_\_ (employer — board name) to “pick up” the employee portion of contributions to STRS Ohio made for the purpose of restoring service credit or purchasing service credit, thereby resulting in tax deferral of employee contributions; and

Whereas these picked-up contributions, although designated as employee contributions, are being paid by \_\_\_\_\_ (employer — board name) in lieu of employee contributions; and

Now therefore be it resolved that in order to permit tax deferral of the employee contributions for restored or purchased service credit, any employee who is eligible and wishes to restore or purchase service credit by payroll deduction must enter into a binding irrevocable payroll deduction authorization and the employee may not opt out of having the contributions for such restored or purchased service credit treated as “picked-up” contributions or elect to receive the amounts directly instead of having them paid by \_\_\_\_\_ (employer — board name) to STRS Ohio or terminate or alter the payroll deduction until the service credit is fully restored or purchased or employment is terminated;

Be it further resolved that the amounts herein specified, which shall be deducted from the employee’s salary through payroll deduction, are designated as being picked-up contributions by \_\_\_\_\_ (employer — board name) and paid by \_\_\_\_\_ (employer — board name) in lieu of employee contributions in accordance with Internal Revenue Code Section 414(h)(2).

This resolution adopted by \_\_\_\_\_ (employer — board name) shall have an effective date of \_\_\_\_\_ (prospective date).\*

\*Employers must notify STRS Ohio prior to the effective date of the resolution.

This sample resolution is provided for your convenience and does not constitute tax or legal advice. Although we have attempted to provide accurate information, STRS Ohio cannot guarantee tax results in any way or be held responsible for any loss incurred as a result of the use of this information. Contact your tax advisor or legal counsel for specific information about how this information might affect your situation.