

RESOLUTION # 26-60C

A RESOLUTION AUTHORIZING CITY PICK UP OF PUBLIC SAFETY AND FIREFIGHTER EMPLOYEE RETIREMENT CONTRIBUTIONS.

WHEREAS, City ("City") employs employees who are eligible for and participate as members in the New Public Safety and Firefighter Tier II Contributory Retirement System administered by the Utah Retirement Systems; and

WHEREAS, in accordance with federal and state law, including Section 414(h)(2) of the Internal Revenue Code, employers may take formal action to pick up required employee contributions, which will be paid by the employer in lieu of employee contributions; and

WHEREAS, the City desires to formally pick up a portion of the employee contributions required to be paid under Utah Code Ann. Subsection 49-23-301(2)(c), as enacted in S.B. 56, Public Safety and Firefighter Tier II Retirement Enhancements (2020 General Session), for all City employees participating in the New Public Safety and Firefighter Tier II Contributory Retirement System; and

WHEREAS, the City Council is duly authorized to take this formal action on behalf of the City as a participating employer with the Utah Retirement Systems.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Sandy City, Utah:

1. Beginning July 1, 2026, the City shall prospectively pick up and pay required employee contributions for all City employees who are members of the New Public Safety and Firefighter Tier II Contributory Retirement System, subject to a maximum of 5.98% of compensation for each employee.

2. The picked up contributions paid by the City, even though designated as employee contributions for state law purposes, are being paid by the City in lieu of the required employee contributions.

3. The picked up contributions will not be included in the gross income of the employees for tax reporting purposes, that is, for federal or state income tax withholding taxes, until distributed from the Utah Retirements Systems, so that the contributions are treated as employer contributions pursuant to Section 414(h)(2) of the Internal Revenue Code.

4. The picked up contributions are a supplement and not a salary reduction to the City employees who are eligible for and participating members in the New Public Safety and Firefighter Tier II Contributory Retirement System.

5. From and after the date of this pick up, a City employee may not have a cash or deferred election right with respect to the designated employee contributions, including that the employees may not be permitted to opt out of the pick up and may not be entitled to any option of choosing to receive the contributed amounts directly instead of having them paid by the City on behalf of its employees to the Utah Retirement Systems.

6. This resolution shall take effect on July 1, 2026.

PASSED AND APPROVED this ____ day of _____, 2026

Cyndi Sharkey, Chair
Sandy City Council

ATTEST:

Wendy Downs
City Recorder

RECORDED this ____ day of _____, 2026