

RESOLUTION NO. 2020-002

A RESOLUTION designating the “gap cost” for the purchase of prior service credit for those Tier II public safety employees voluntarily migrating to the LAGERS retirement system as an employer contribution.

WHEREAS, the voters of Joplin approved a ½-cent sales tax dedicated to close the pension plan to new hires and transition public safety employees to LAGERS; and,

WHEREAS, Tier II public safety employees can voluntarily elect to terminate from the policemen’s and firemen’s pension plan and migrate to LAGERS; and,

WHEREAS, those migrating employees will forfeit their years of service under the pension plan; and,

WHEREAS, those employees will have the option to purchase their prior service credit by remitting their return of contributions from the pension plan to LAGERS; and,

WHEREAS, there will be an additional cost to purchase their prior service credit in LAGERS also referred to as the “gap cost”; and,

WHEREAS, the IRS allows the City to designate the payment of the “gap cost” as an employer contribution payable directly to LAGERS; and,

WHEREAS, the City Council of Joplin, Missouri desires to designate this payment as an employer contribution.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, as follows:

Section 1. The City Council of the City of Joplin hereby designates any “gap cost” payment paid by the City for forfeited service credit by those Tier II public safety employees migrating to LAGERS as an employer contribution.

Section 2. In accordance with IRS Revenue Ruling 2006-43, the City designates this “gap cost” payment as an employer contribution to be paid directly from the City to LAGERS on behalf of said employees.

Section 3. That this Resolution shall be in full force and effect from and after the date of its passage and approval.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Joplin, Missouri to be affixed this 3rd day of February 2020.

Gary L. Shaw, Mayor

ATTEST:

Barbara J. Gollhofer, City Clerk