Reminder: March 1 deadline for submission of pick-up plan documentation

Who should read this notice
Fiscal officers and payroll clerks for city and county public employers offering a pick-up plan for tax-deferred deductions to OPERS

Situation overview
The Internal Revenue Service (IRS) requires employers to provide specific written documentation about pick-up plans, if offered. This means that all employers offering a pick-up plan must send their current, board of directors-approved, pick-up resolution document to OPERS for review. Employers must submit documentation for all pick-up plans offered to employees including fringe benefit pick-up plans, salary reduction pick-up plans, and/or service purchase payroll deduction pick-up plans.

As previously announced, OPERS established a staggered schedule for document review. City and county public employers who offer a pick-up plan must submit pick-up plan documentation to the OPERS Employer Reporting office no later than March 1, 2008.

What you need to do
If you offer a pick-up plan, you must:

• Review your records to make sure your documents are compliant with the IRS guidelines.

• If your current resolution is not compliant, your board of directors/trustees must draft and pass, a new resolution that complies with the guidelines.

• Submit a compliant resolution for each of the pick-up plans you offer your employees to OPERS for review no later than March 1, 2008.

Employer Reporting has created resources to help you with this requirement. You may:

• Call Employer Outreach to request a brochure, Pick-Up Plans: A Guide for Employers. This brochure reviews all pick-up plan guidelines and includes sample resolutions.

• Access the Employer Notice with the headline: IRS Ruling specifies pick-up plan documentation requirement issued April 5, 2007. This document reviews the language required for pick-up resolutions. If you do not have this document archived, you can find it online at www.opers.org.

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Why this is important
The Internal Revenue Service requires that all employer pick-up plans are compliant with IRS Revenue Ruling 2006-43. With your help, we can ensure all employers’ pick-up plans have been reviewed and revised (where necessary) by the Internal Revenue Service’s due date of January 1, 2009.

Who to contact for more information
After you review this Employer Notice, contact your Employer Outreach representative with questions or to request a brochure at 1-888-400-0965 or via the Internet at employeroutreach@opers.org.