

**NORTH CAROLINA LOCAL GOVERNMENTAL EMPLOYEES'
RETIREMENT SYSTEM
DEPARTMENT OF STATE TREASURER
RALEIGH 27603-1385**

**RESOLUTION TO ENACT A TAX SHELTER OF EMPLOYEES' CONTRIBUTIONS
PAYABLE AS MEMBERS OF THE NORTH CAROLINA LOCAL GOVERNMENTAL EM-
PLOYEES' RETIREMENT SYSTEM**

WHEREAS, the 1981 Session (1982 Regular Session) of the North Carolina General Assembly, by a duly ratified bill effective July 1, 1982, enacted North Carolina General Statute 128-30(b1), a copy of which is attached hereto, which under the conditions specified therein permits an employer participating in the North Carolina Local Governmental Employees' Retirement System to tax shelter the contributions payable to this System by its employees who are members of this System; and,

WHEREAS, this employer is an employer participating in the North Carolina Local Governmental Employees' Retirement System with respect to its eligible employees; and

WHEREAS, this employer deems it desirable to tax shelter the contributions payable by its employees as members of the North Carolina Local Governmental Employees' Retirement System.

NOW, THEREFORE, BE IT RESOLVED BY THE SUMMERFIELD TOWN COUNCIL
(Name of Governing Body)
in regular session, that as of OCTOBER 5, 2004 the TOWN OF
(Date of Election) (Name of Employer)

SUMMERFIELD elects pursuant to the provisions of North Carolina General Statute 128-30(b1) to pick up and pay to the North Carolina Local Governmental Employees' Retirement System the contributions which would be otherwise payable to this System by its employees who are members of this System and to treat in all respects such contributions in the manner specified in said North Carolina General Statute 128-30(b1).

Upon motion of Michael Stewart and seconded by Bob Williams the above resolution was introduced and adopted. The number voting in the affirmative was 4 and the number voting in the negative was 0.

NORTH CAROLINA LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM
RALEIGH, NORTH CAROLINA 27603-1385

CERTIFICATION

This is to certify that:

1. That at a meeting of the SUMMERFIELD TOWN COUNCIL
(governing board)
held in SUMMERFIELD COMMUNITY CENTER
(place of meeting) on the 5th day of
OCTOBER, 2004, the attached resolution was duly introduced and legally passed
in accordance with the applicable provisions of law relating to the TOWN OF SUMMERFIELD
(local governmental unit)
County of GUILFORD and the General Statutes of North Carolina.

2. That the meeting at which said resolution was passed was duly constituted, a quorum was present,
and that a resolution was publicized in accordance with the applicable provisions of law and the General
Statutes of North Carolina.

3. That the attached resolution is a true and accurate copy of the resolution passed by the _____
SUMMERFIELD TOWN COUNCIL
(governing board) as the same appears on Page OCT. 2004 of the Minute Books.

This the 6th day of OCTOBER, 2004

Maureen Laughlin
(Clerk of the Board)



NORTH CAROLINA GENERAL STATUTE 128-30(b1)

"(b1) Pick Up of Employee Contributions. — Anything within this section to the contrary notwithstanding, effective July 1, 1982, an employer, pursuant to the provisions of Section 414(h)(2) of the Internal Revenue Code of 1954 as amended, may elect to pick up and pay the contributions which would be payable by the employees as members under subsection (b) of this section with respect to the service of employees after June 30, 1982.

The members' contributions picked up by an employer shall be designated for all purposes of the Retirement System as member contributions, except for the determination of tax upon a distribution from the System. These contributions shall be credited to the annuity savings fund and accumulated within the fund in a member's account which shall be separately established for the purpose of accounting for picked-up contributions.

Member contributions picked up by an employer shall be payable from the same source of funds used for the payment of compensation to a member. A deduction shall be made from a member's compensation equal to the amount of his contributions picked up by his employer. This deduction, however, shall not reduce his compensation as defined in subdivision (7a) of G.S. 128-21. Picked-up contributions shall be transmitted to the System monthly for the preceding month by means of a warrant drawn by the employer and payable to the Local Governmental Employees' Retirement System and shall be accompanied by a schedule of the picked-up contributions on such forms as may be prescribed. In the case of a failure to fulfill these conditions the provisions of subsection (f)(3) of this section shall apply."