

COMMITTEE OF THE WHOLE

09-0513R

RESOLUTION ESTABLISHING A PROCEDURE TO CORRECT ERRORS
RELATED TO ELIGIBLE SALARY REPORTING TO THE PUBLIC
EMPLOYEES RETIREMENT ASSOCIATION (PERA).

CITY PROPOSAL:

RECITALS:

(a) The city auditor discovered in July of 2007 that certain employer-paid benefits, primarily city provided deferred compensation / family health care premium subsidies had been incorrectly treated as PERA eligible salary since approximately 1995;

(b) PERA and city staff undertook a process to gather data necessary for PERA to calculate refunds of employee deductions, employer contributions and for PERA to determine any benefit overpayments;

(c) Pursuant to Minnesota statutes, the city now has three possible options available to it for the correction of erroneous employee deductions, employer contributions and the adjustment of overpaid benefits;

(d) The city council has reviewed the options available and has determined which procedure is in the best interests of the city to pursue.

RESOLVED, that the city council hereby elects to employ Option _____, as set forth on Public Document No. _____ on file in the office of the city clerk, in order to correct erroneous employee deductions, employer contributions and adjusting overpaid benefits due to certain employer-paid benefits being incorrectly treated as PERA eligible salary since approximately 1995 through 2007.

Approved for presentation to council:

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

ADMN/ATTY GBJ:cjk 8/3/2009

STATEMENT OF PURPOSE: This resolution establishes a procedure by which the city of Duluth will address erroneous employee deductions, employer contributions and adjusting overpaid benefits which resulted from certain employer-paid benefits, primarily city provided deferred compensation / family health care premium subsidies being incorrectly treated as PERA eligible salary since approximately 1995.