

OHIO BOARD OF REGENTS

Agenda Item 3.15 Resolution to Continue the Ohio PERS Pick-Up Plan for Chancellor Chu and Pay a Bonus to Chancellor Chu

RESOLUTION

WHEREAS, the Ohio Board of Regents, at its regular meeting held March 11, 2004 determined to contribute toward the purchase of service credits for the employee described below; and

WHEREAS, the Ohio Board of Regents, by resolution dated March 11, 2004, amended the existing State of Ohio Pick-Up Plan established December 9, 1984, to permit the Ohio Board of Regents to assume and pay certain amounts on an annual basis; and

WHEREAS, the Ohio Board of Regents desires to continue to purchase service credits for the employee referred to below; and

WHEREAS, Roderick G. W. Chu is the employee for whom the Board intends to purchase service credits; and

WHEREAS, the Ohio Board of Regents desires to contribute \$24,000 (\$12,000 for fiscal years 2005 and 2006) toward the pick-up of the Chancellor's eligible prior service by making this contribution on behalf of Chancellor Chu to his retirement plan thereby resulting in a tax deferral of such contributions as permitted by Internal Revenue Code §414(h)(2) and Ohio Revised Code Chapter 145, in the event that OPERS does not accept any or all of the \$24,000 contribution then such amounts not applied by OPERS to Chancellor Chu's retirement account shall be paid directly to Chancellor Chu; and

WHEREAS, §3333.03 of the Revised Code authorized the Ohio Board of Regents to fix the compensation for the Chancellor; and

WHEREAS, Chancellor Chu has worked very hard in the interests of higher education and, because of constraints on increases in state employee compensation, has not received a bonus for two years or an increase in salary for three years; and

WHEREAS, the Ohio Board of Regents desires to pay \$20,000 to Chancellor Chu as a bonus in recognition of his efforts during the current fiscal year; and

NOW BE IT THEREFORE RESOLVED, that the Ohio Board of Regents shall pick-up \$24,000 in prior service credit earned by Chancellor Chu and that this "Pick-Up" shall be a tax deferred benefit accruing to Chancellor Chu and that the Ohio Board of Regents shall pay \$20,000 as a bonus in recognition of his efforts.