

Madison Hires Raines

From: N. Austin Fax <afax@lowtherjohnson.com>
Sent: Tuesday, August 5, 2025 1:40 PM
To: Madison Hires Raines
Cc: Mark Hamilton; Paula Brumfield
Subject: RE: HB 225 follow-up

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Madi:

Pursuant to RSMo. 57.961, the County is "required to contribute five percent of the member's pay" to the Sheriffs' retirement system. The statute also provides that "[t]he officer or officers responsible for making up the payrolls for each county shall cause the contribution provided for in this section to be deducted from the compensation of the member in the employ of the county, on each and every payroll, for each and every payroll to the date his or her membership terminates."

As we discussed last time, the County Commission can choose to make that contribution on the Sheriff's behalf. But regardless of whether they choose to or not, that contribution has to be made. I am not sure where the Commission landed on that, but that's the first question that needs to be determined.

As far as the below, the determination of whether a contribution is considered by the IRS as an employee or an employer contribution is purely an income tax question. It really just changes whether the Sheriff gets taxed on that contribution now, or whether he gets taxed on it after he pulls out the retirement. I don't have an opinion on that. My recommendation would be to contact the County's accountants and I would suspect they can walk you through how to structure that for payroll purposes. Sorry I can't be of more help on that one.

N. Austin Fax

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