*** § 1204-a. Pick up of member contributions by employer.** a. Notwithstanding any other provision of law, each participating employer shall pick up the member contributions required to be made under section twelve hundred four of this article by its employees and shall do so by reducing the salary of each of its employees to which this section is applicable by that amount which each such employee is required to contribute under section twelve hundred four of this article. The contributions so picked up shall be paid by each participating employer in lieu of the member contributions to be paid by its employees under this section and shall be treated as employer contributions in determining income tax treatment under section 414(h) of the Internal Revenue Code. With the exception of federal income tax treatment, the member contributions picked up pursuant to this subdivision shall for all other purposes, including computation of retirement benefits and contributions by employers and employees, be deemed employee salary.

b. Any employee (subject to this article) of a participating employer who, in lieu of joining a public retirement system of the state, elected an optional retirement program to which their employers are thereby required to contribute shall, in order for the provisions of this subdivision to apply, be required to execute a salary reduction agreement (in accordance with the regulations promulgated under section 403(b) of the Internal Revenue Code) in an amount equal to the employee contributions which would otherwise be mandatory under the provisions of state law. With the exception of federal income tax treatment, the employee contributions picked up or paid pursuant to this subdivision shall for all other purposes, including computation of retirement benefits and contributions by employers and employees, be deemed employee salary. Nothing contained in this subdivision shall be construed as superseding any provision of law which limits the salary base for computing retirement benefits payable by a public retirement system.

* NB See ch 525/2011 § 7 for effectiveness