

RESOLUTION NO. 5258-15

A RESOLUTION TO CHANGE THE TYPE OF EMPLOYEE CONTRIBUTIONS FOR THE CITY OF TUALATIN FROM MEMBER PAID PRE-TAX (MPPT) TO EMPLOYER PAID PRE-TAX (EPPT) CONTRIBUTIONS AND TO BE DEEMED "PICKED UP" FOR PURPOSES OF INTERNAL REVENUE CODE SECTION 414(h)(2)

WHEREAS, Section 414(h) of the Internal Revenue Code (IRC) provides an employer may treat the 6% PERS contribution by employee as a pick up on a pretax basis and the governing body of the City of Tualatin has the authority to implement the provisions of section 414(h)(2) of the IRC; and

WHEREAS, the City of Tualatin has determined that even though the implementation of the provisions of IRC section 414(h)(2) is not required by law, the tax benefit offered by IRC section 414(h)(2) should be provided to All Employees who are members of OPERS; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TUALATIN, OREGON, that:

Section 1. Effective November 21, 2015, the City of Tualatin will implement the provisions of IRC section 414(h)(2) by making employee contributions pursuant to Oregon Revised Statute 238A.335(2)(a) and Oregon Administrative Rule 459-009-0200(3) to OPERS on behalf of all its employees, who are members of the OPERS. "Employee contributions" shall mean those contributions to OPERS which are deducted from the salary of employees and are credited to individual employee's accounts pursuant to ORS 238A.330(2).

Section 2. Section 414(h)(2) provides a special rule that allows for contributions made by the City of Tualatin to OPERS, although designated as employee contributions, are nevertheless treated as employer contributions if the contributions are picked up by the City of Tualatin.

Section 3. The employer's employment policy(s) or agreement(s) is not retroactive in its application.

Section 4. That employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the City of Tualatin to OPERS.

Section 5. That the City of Tualatin shall pay to OPERS the contributions designated as employee contributions from the same source of funds as used in paying salary.

Section 6. That the amount of the contributions designated as employee contributions and paid by the City of Tualatin to OPERS on behalf of an employee shall be the entire contribution required of the employee by OPERS.


Section 7. That the contributions designated as employee contributions made by the City of Tualatin to OPERS shall be treated for all purposes, other than taxation, in the same way that member contributions are treated by the OPERS.

Section 8. This resolution is effective upon adoption.

Adopted by the City Council this 26th Day of October, 2015.

CITY OF TUALATIN, OREGON

BY



Mayor

APPROVED AS TO FORM

BY



City Attorney

ATTEST:

BY



City Recorder