BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF REQUESTING A)	Resolution No. 08-3908
REFERENDUM ON FEDERAL OLD)	
AGE, SURVIVORS, AND DISABILITY)	Introduced by Michael Jordan, Chief Operating
INSURANCE COVERAGE)	Officer with the concurrence of David Bragdon,
)	Metro Council President

WHEREAS, under Section 218 of the Social Security Act, the State of Oregon is a party to voluntary "Section 218 Agreements," which provide Social Security and Medicare Hospital Insurance ("HI") or Medicare HI-only coverage for designated State and local government employees; and

WHEREAS, in 1976, Metro opted into Social Security coverage for Metro employees through an amendment to Oregon's Section 218 Agreement, but it specifically excluded elected officials from coverage; and

WHEREAS, Metro elected officials are subject to Medicare taxes, but are subject to Social Security taxes only if they do not enroll in PERS; and
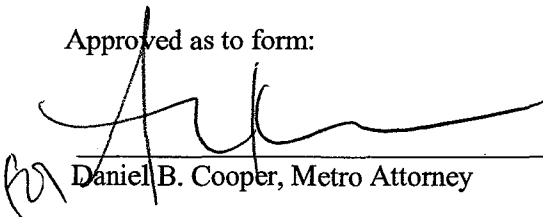
WHEREAS, Metro desires to remove the exclusion of all services in any class or classes of elective positions to obtain Federal Old Age, Survivors, and Disability Insurance ("OASDI") for Metro elected officials; now therefore,
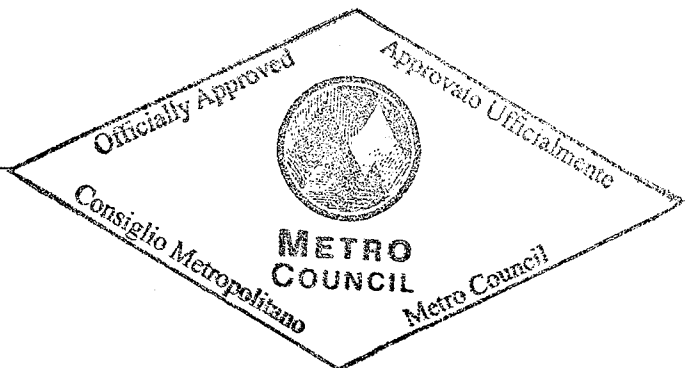
BE IT RESOLVED that the Metro Council respectfully requests the Executive Director of the Oregon Public Employees Retirement System on behalf of the Governor of the State of Oregon, to authorize the necessary referendum among the eligible elected employees of Metro who are members of the Public Employee Retirement System to determine whether a majority of such elected employees desire OASDI and HI coverage and authorize the expenditure of funds for this purpose.

ADOPTED by the Metro Council this 14 day of February, 2008.

David Bragdon, Council President

Approved as to form:

Daniel B. Cooper, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF RESOLUTION 08-3908, FOR THE PURPOSE OF REQUESTING A
REFERENDUM ON FEDERAL OLD AGE SURVIVORS, AND DISABILITY INSURANCE
COVERAGE

Date: February 14, 2008   Prepared by: Michael Jordan, Chief Operating Officer

PROPOSED ACTION

Request that the State of Oregon conduct a referendum and take other necessary steps to remove the
exclusion of Metro Elected Officials from Old Age Survivors and Disability Insurance ("OASDI"), the
mandatory federal social security program.

EXISTING LAW

Under Section 218 of the Social Security Act, the State of Oregon is party to voluntary "Section 218
Agreements," which provide Social Security and Medicare Hospital Insurance ("HI") or Medicare HI
only for designated State and local government employees who have opted into the system.

BACKGROUND AND ANALYSIS

In 1976, Metro opted into Social Security coverage for Metro employees through an amendment to
Oregon's Section 218 Agreement, but it specifically excluded elected officials from coverage.   Metro
elected officials are subject to Medicare taxes, but are subject to Social Security taxes only if they do not
enroll in the Oregon Public Employee Retirement System. Metro desires to remove the exclusion of all
services in any class or classes of elective positions to obtain Federal Old Age, Survivors and Disability
Insurance ("OASDI"). This resolution will initiate the State resolution process, which will lead to the
inclusion of Metro elected officials into all aspects of Social Security coverage.

FISCAL IMPACT: There is no need for a budget amendment because there are sufficient
appropriations, both this year and planned for 2008-09. However, this is a new cost to Metro,
approximately $26,000 per year, and would represent a fiscal impact since it is a cost that Metro is not
currently paying. In addition the process for the State to extend Social Security Coverage to Metro
elected officials may take as long as 90 days. This would significantly lessen the fiscal impact for this
budget year.

RECOMMENDED ACTION

It is recommended that that Metro Council approve the resolution and thereby request that the State
initiate the process for extending Social Security Coverage to Metro elected officials.