

METROPOLITAN EXPOSITION-RECREATION COMMISSION

RESOLUTION NO. 94-80

Whereas, The voters of the state of Oregon on November 8, 1994, amended the Oregon Constitution by the adoption of Ballot Measure 8; and

Whereas, Ballot Measure 8 requires that all Metro ERC employees who participate in the Public Employes Retirement System or any other retirement plan provided by Metro ERC contribute 6 percent of their salary or gross wage to the retirement plan or system maintained by Metro ERC; and

Whereas, The Commission desires to clarify that all Metro ERC employees are required to make payment to retirement plans from their gross salary or wages; and

Whereas, Due to the pay periods utilized by Metro ERC, the mandatory contribution required by Measure 8 will apply to all wages and salaries paid for work on or after December 16, 1994; and

Whereas, The Attorney General of the State of Oregon and Metro's General Counsel have advised that employees who are subject to collective bargaining agreements providing for the payment by Metro ERC of the employee contribution to retirement plans continue to have the benefit of those contractual provisions until their expiration date; and

Whereas, The Oregon Attorney General and Metro's General Counsel have advised that the mandatory contribution to any retirement plan may be excluded from the taxable income of employees; and

Whereas, The Commission desires to state its intent that for the purpose of federal tax law, at 26 U.S.C. § 141(h)(2), the portion required to be contributed from employees' gross wages or salaries for retirement benefits shall not be considered taxable income and is required to be excluded from the amounts reported as taxable income to the Internal Revenue Service by Metro ERC; now, therefore,

BE IT THEREFORE RESOLVED,

1. That the Commission recognizes that Metro ERC is contractually bound by the terms of those existing collective bargaining agreements which provide for the payment by Metro ERC of the employee contribution to retirement plans to continue to make such payments as are required by those collective bargaining agreements until such time as those agreements may be amended or expire.


2. That for all purposes of Oregon law including but not limited to the preparation of annual budgets, and the establishment of the Metro ERC Pay Plan, the gross wages or salary of any Metro ERC employee shall include the amount the employee is required to contribute for retirement benefits. This provision shall not apply to the extent it conflicts with any existing provision of a collective bargaining agreement described in paragraph 1 of this Resolution.

3. That for the limited purpose of determining what amounts shall be considered as taxable income, pursuant to federal law at 26 U.S.C. § 141(h)(2), the amount removed from wages or salary as a required contribution to any retirement plan or system shall not be considered taxable income and shall not be included in the amount of taxable income reported to the Internal Revenue Service by Metro for federal income tax purposes. As required by 26 U.S.C. § 141(h)(2), Metro ERC will "pick up" and remove from an employee's wage or salary any amount required by Oregon law to be contributed to a retirement plan or system, and Metro ERC will make the required payment directly to the plan or system. The amount required to be contributed by the employee is not available to the employee and may not be paid to the employee directly.

4. That this Resolution shall apply to all salary and wages earned on or after December 16, 1994.


Passed by the Commission on December 14, 1994.



Chairman

Secretary/Treasurer

APPROVED AS TO FORM:
Daniel B. Cooper, General Counsel



By: Mark B. Williams
Senior Assistant Counsel

gl
1199