

Resolution 2015-2016-6

BEFORE YAMHILL COUNTY SCHOOL DISTRICT #48J

BOARD OF DIRECTORS

A resolution by the Board of Directors of Yamhill County School District #48J (“District”) to change the type of employee contributions made to the Oregon Public Employees Retirement System (OPERS) for some of its employees (Substitutes) to Member Paid Pre-Tax (MPPT) contributions, to be deemed “Picked Up” for purposes of Internal Revenue Code Section 414 (h) (2).

WHEREAS, under Oregon Administrative Rule (OAR) 459-009-0200(3)(d), the District’s Board of Directors has determined that the policy to “pick up” contributions as described in OAR 459-009-0200(3)(d)(F), shall only apply to those employees who work as substitute teachers,

WHEREAS, Section 414(h) of the Internal Revenue Code (IRC) provides that an employer may treat the 6% PERS contribution by employees as a pick up on a pretax basis and the District’s Board of Directors has the authority to implement the provisions of IRC section 414(h)(2); and

WHEREAS, the District’s Board of Directors 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 such employees:

NOW, THEREFORE, BE IT RESOLVED:

- I. That, effective immediately, the District will implement the provisions of IRC section 414(h)(2) by making employee contributions pursuant to both Oregon Revised Statute (ORS) 238A.335(2)(a) and OAR 459-009-0200(3)(d) to OPERS on behalf of those employees who work as substitute teachers employees, as set forth in OAR 459-009-0200(3)(d)(F). “Employee contributions” shall mean those contributions to OPERS which are deducted from the salary of those employees and credited to their individual employees’ accounts pursuant to ORS 238A.330(2).
- II. That IRC section 414(h)(2) provides a special rule that allows for contributions made by the District to OPERS, although designated as employee contributions, are nevertheless treated as employer contributions if the contributions are picked up by the District.
- III. That the District’s employment policy in this regard is not retroactive in its application.
- IV. That the District’s employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the District to OPERS.
- V. That the District shall pay to OPERS the contributions designated as employee contributions from the same source of funds as used in paying salary.

VI. That the amount of the contributions designated as employee contributions and paid by the District to OPERS on behalf of an employee shall be the entire contribution required of the employee by OPERS.

VII. That the contributions designated as employee contributions made by the District to OPERS shall be treated for all purposes, other than taxation, in the same way that member contributions are treated by the OPERS.

PASSED AND ADOPTED by the District's Board of Directors this 18th day of May, 2016.

BY _____
Signature of Official

Title of Official