



STAFF REPORT/RESOLUTION

TO: Southwest Washington Regional Transportation Council Board of Directors
FROM: Matt Ransom, Executive Director
DATE: May 31, 2016 
SUBJECT: Section 218 Agreement, Resolution 06-16-12

AT A GLANCE - ACTION

The proposed Resolution (attached) will initiate a Federal and State mandated process for conducting a Referendum of RTC employees for possible establishment of a voluntary Section 218 Agreement under the provisions of the Social Security Act.

BACKGROUND

The RTC was established in July 1992, and at that time entered into an agreement with Clark County for payroll processing. The agreement adopted by the Board of Directors stipulated that RTC employees participate in the Social Security Administration program(s) consistent with Clark County payroll policy.

Recently, RTC has been made aware that it needs to establish an independent voluntary Section 218 Agreement with the Washington State Department of Retirement Systems (DRS) to retain participation in the Social Security Administration programs. The DRS acts as the designated administrator of Social Security Administration within Washington State. The process for establishing a voluntary Section 218 Agreement is to conduct an employee Referendum to document employee's desire to participate in said programs. The proposed Resolution (attached) is the first step in initiating the Referendum process.

POLICY IMPLICATION

Affirmative action on this Resolution would initiate the voluntary Section 218 Agreement Referendum process for current RTC employees.

BUDGET IMPLICATION

None.

ACTION REQUESTED

Adoption of Resolution 06-16-12 authorizes the RTC Board Chair to sign the Resolution to initiate the process for establishment of a voluntary Section 218 Agreement between the Washington State Department of Retirement Services and the Southwest Washington Regional Transportation Council.

ADOPTED this _____ day of _____ 2016,
by the Southwest Washington Regional Transportation Council.

SOUTHWEST WASHINGTON
REGIONAL TRANSPORTATION COUNCIL

ATTEST:

Jack Burkman
Chair of the Board

Matt Ransom
Executive Director

Attachment: Resolution

RESOLUTION

WHEREAS, by Public Law 761 of the second session, 83rd Congress, and Chapter 4, Laws of the Extraordinary Session of 1955, Congress and the legislature of the State of Washington have expressed their intent that the benefits of the federal Old Age and Survivors Insurance (OASI) program may be made available at their option to members of existing public retirement systems, in addition to and without any reduction or impairment of the protection and benefits afforded by such systems; and

WHEREAS, the **Southwest Washington Regional Transportation Council** desires to offer Social Security coverage to its eligible employees,

NOW THEREFORE, be it resolved that the Board of Directors does hereby adopt the following resolution:

SECTION 1. It is hereby declared to be the policy and purpose of the **Southwest Washington Regional Transportation Council** to extend the provisions of RCW 41.48.030, providing Social Security coverage to eligible employees of the **Southwest Washington Regional Transportation Council**.

Whereas, the **Southwest Washington Regional Transportation Council** filed wage reports and contribution returns under the Federal Insurance Contributions Act beginning in the period ending with XXXX, 1992 under FEIN XX-XXXXXXX in the belief that such action would result in extending coverage under the provisions of the Social Security Act, as amended; and

Whereas, in furtherance of this belief the **Southwest Washington Regional Transportation Council** continued to file wage reports and make contribution payments under the Federal Insurance Contributions Act for each succeeding period after the period ending with XXXX, 1992.

Whereas, the filing of such wage reports and contribution returns under the Federal Insurance Contributions Act was erroneous; and

Whereas, the **Southwest Washington Regional Transportation Council** has established that services of its employees may be covered under the provisions of Section 218 of the Social Security Act, as amended, and

Whereas, the **Southwest Washington Regional Transportation Council** has not requested a refund of contributions from the Internal Revenue Service for any of the individuals for whom contributions were timely paid to the Secretary of the Treasury.

SECTION 2. In pursuance of this policy, the Board of Directors requests the Department of Retirement Systems, as the duly designated State Social Security Administrator, to supervise a majority vote referendum, under Section 218(d)(3) of the Social Security Act, for eligible employees who are members of the Public Employees' Retirement System (PERS). The majority vote referendum will be conducted pursuant to applicable State and Federal laws and regulations for the purpose of allowing eligible employees, as a retirement system group, the opportunity of paying the Social Security tax.

SECTION 3. The Executive Director is authorized and directed to execute an agreement with the State of Washington to secure Social Security coverage of eligible employees as provided in Section 1.

SECTION 4. If the referendum is favorable, the coverage of eligible employees shall be effective as of July 1, 1992.

SECTION 5. Withholdings from salaries or wages of employees for the purposes provided in Section 1 of this Resolution are hereby authorized to be made in the amounts and at such times as may be required by applicable State and Federal laws and regulations, and shall be paid to the Internal Revenue Service, in such amounts and at such times as are designated in IRS Code 3121(b)(7)(E) and 3126.

SECTION 6. Employer contributions shall be paid from amounts appropriated for such purposes to the Internal Revenue Service in accordance with applicable Federal laws.

SECTION 7. The **Southwest Washington Regional Transportation Council** shall maintain such records and submit such reports as may be required by applicable State and Federal laws or regulations.

SECTION 8. This resolution shall take effect and be in full force from and after its passage.

Signatures:

Jack Burkman, RTC Board Chair

Matt Ransom, Secretary to the Board

CERTIFICATION:

I, Jack Burkman, Chair, Board of Directors, do hereby certify that the foregoing is a true and correct copy of the Resolution passed by the Board of Directors of the Southwest Washington Regional Transportation Council on the 7th day of June, 2016.

Signature

Date