



STAFF REPORT/RESOLUTION

TO: Southwest Washington Regional Transportation Council Board of Directors
FROM: Matt Ransom, Executive Director
DATE: October 25, 2016 
SUBJECT: **AGREEMENT to Extend Social Security Coverage to Eligible Employees, Resolution 11-16-26**

AT A GLANCE - ACTION

The proposed Agreement (attached) will confirm and permanently put in place the Social Security Coverage to Eligible Employees of RTC.

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 member(s) intent.

Earlier this spring, RTC was made aware that it needed to establish a voluntary AGREEMENT to Extend Social Security Coverage to Eligible Employees (Section 218 Agreement) with the State of Washington in order to retain participation in the Social Security Administration programs. Establishment of the Section 218 Agreement required a referendum of all current RTC employees. That Referendum was authorized by the RTC Board in June (Resolution 06-16-12) and took place in August. The result of the Referendum found that RTC employees volunteered, by a majority, to participate in Social Security programs.

CURRENT SITUATION

Given the outcome of the employee Referendum, the State of Washington has produced a Section 218 Agreement (attached). The final step in the process is for the Board to authorize the Chair to sign the agreement, which then becomes permanently binding on the organization.

POLICY IMPLICATION

Affirmative action on this Resolution and signing of the Section 218 Agreement would permanently put in place the contractual agreement which guarantees RTC's current and future participation in Social Security programs. The outcome is consistent with: 1) the most recent RTC employee Referendum and 2) the intent of the RTC Board upon formation of the organization in July 1992.

BUDGET IMPLICATION

None. All current rates of contribution (employee and employer) will remain unchanged for the time being. However rates of contribution may change over time in accordance with those established by law.

ACTION REQUESTED

Adoption of Resolution 11-16-26 authorizes the RTC Board Chair to sign the AGREEMENT to Extend Social Security Coverage to Eligible Employees between the State of Washington 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: AGREEMENT



STATE OF WASHINGTON

DEPARTMENT OF RETIREMENT SYSTEMS

P.O. Box 48380 • Olympia, WA 98504-8380 • (360) 664-7000 • Toll Free 1-800-547-6657 • www.drs.wa.gov

AGREEMENT

To Extend Social Security Coverage to Eligible Employees

(Members of the **Public Employees' Retirement System** - via a favorable majority vote referendum)

This Agreement is made by and between:

The State of Washington,
Department of Retirement Systems
State Social Security Administrator ("State")

and

Southwest Washington Regional Transportation Council ("Political Subdivision")

WITNESSETH

WHEREAS the Political Subdivision desires to extend Social Security coverage to its eligible employees under the provisions of chapter 41.48 Revised Code of Washington (RCW), and

WHEREAS the Political Subdivision duly adopted a resolution requesting authorization to hold a majority vote referendum for voluntary Social Security coverage pursuant to Section 218 of the Social Security Act, and

WHEREAS the State has authorized, and the Political Subdivision has held, a majority vote referendum for employees eligible for Social Security coverage under Section 218(d)(3) of the Social Security Act

NOW, THEREFORE, in consideration of the premises, the parties hereby agree that said coverage shall be extended to the eligible employees of the Political Subdivision who elected by a favorable majority vote referendum to participate in Social Security, subject to the following terms and conditions:

A. SERVICES COVERED

This agreement includes all services performed by eligible employees of the Political Subdivision as defined in Section 218(d)(3)(E) of the Social Security Act.

B. MANDATORY EXCLUSIONS

Certain services are mandatorily excluded from coverage under a 218 Agreement. This agreement shall exclude the following services as defined in Section 218(c)(6) of the Social Security Act:

- (A) service performed by an individual who is employed to relieve him from unemployment,
- (B) service performed in a hospital, home, or other institution by a patient or inmate thereof,

- (C) covered transportation service (as determined under section 210(k) of the Social Security Act),
- (D) service (other than agricultural labor or service performed by a student) which is excluded from employment by any provision of section 210(a) of the Social Security Act other than paragraph (7) of such section,
- (E) service performed by an individual as an employee serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or other similar emergency, and
- (F) service described in section 210(a)(7)(F) which is included as "employment" under section 210(a) of the Social Security Act.

C. CONTRIBUTIONS BY THE POLITICAL SUBDIVISION

The Political Subdivision, as a part of this Agreement hereby agrees to pay to the Internal Revenue Service at such times as may be required by Federal laws and regulations, amounts equivalent to the sum of taxes which would be imposed under the Federal Insurance Contributions Act if the services of employees covered by this Agreement constituted employment as defined in such Act.

D. COMPLIANCE WITH THE LAW AND REGULATIONS

The Political Subdivision further agrees that it will comply with all Federal and State laws and with such rules and regulations as the Internal Revenue Service and/or the State may prescribe to carry out the purposes of Section 218 of the Social Security Act and chapter 41.48 RCW.

E. MODIFICATION

This agreement may be modified at the request of the Political Subdivision to include additional employees or additional services not now included in this agreement. Such modification shall be consistent with the provisions of Section 218 of the Social Security Act, but no modification shall be allowed to exclude employees or services currently included in this Agreement.

F. EFFECTIVE DATE

This Agreement shall be effective as of **July 1, 1992**.

IN WITNESS THEREOF, the parties hereto, referred to as State and Political Subdivision, through their respective agents, have executed this Agreement as of the date written below.

**State of Washington
Department of Retirement Systems**

**Southwest Washington Regional
Transportation Council
FEIN: 91-1559925**

**Kimberly C. Smith
State Social Security Administrator**

**Jack Burkman
Board Chair**

Date

Date