

CITY OF PRINEVILLE RESOLUTION NO. 781

RECITALS

A. Whereas the City of Prineville has agreed to "pick-up" the contribution to the Oregon Public Employees Public Retirement System for wages paid between December 1, 1994 and June 30, 1998 to City of Prineville employees; and

B. Whereas official action of the City of Prineville is necessary to clarify the tax exempt status of these contributions;

IT IS HEREBY RESOLVED that during the length specified in each of the following separate Agreements to wit: Collective Bargaining Agreement between the City of Prineville and the City of Prineville Public Works employees, Collective Bargaining Agreement between the City of Prineville and the City of Prineville Police Officers' Association and separate Agreements between the City of Prineville and all non-classified employees, administrative employees, and supervisory employees:

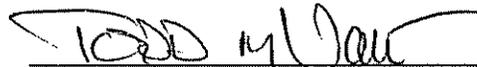
1. The required City of Prineville employees' contribution of six percent of salary to PERS is deemed to be "picked-up" for purposes of Internal Revenue Code Section 414(h)(2).

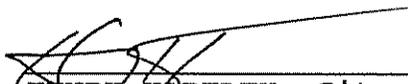
2. City employees do not have the option of receiving the six percent PERS "pick-up" as salary payment and paying the PERS employee's contribution directly.

3. City of Prineville employees' reported salary on each employee's W-2 form will be reduced by the amount of the employees' contributions to PERS made by the City of Prineville

Passed by the City Council this 13 day of December, 1994.

Approved by the Mayor this 13 day of December, 1994.


TODD VALLIE, Mayor


HENRY HARTLEY, City Manager

RESOLUTION NO. 781