

ORDINANCE NO. 188053

*Amend the Fire and Police Disability, Retirement and Death Benefit Plan to extend tax remedy benefits to all eligible members and their survivors in compliance with all applicable Oregon laws and Administrative Rules (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. In 1991, the Oregon Legislature passed a law requiring that recipients of state and local pension benefits pay state income tax on those pension benefits.
2. Per Senate Bill 656 (1991) [Or Laws 1991, ch 796, §§ 1-16] and House Bill 3349 (1995) [Or Laws 1995, ch 569, §§ 1-14], PERS and FPDR were directed to increase benefits for certain recipients as a remedy for the taxation of pension benefits received. The increases that result from applying these laws are known as the “tax remedy.” (The Bureau of FPDR has historically used the term “tax offset benefit.”)
3. The Oregon Legislature changed eligibility for the tax remedy benefit through Senate Bill 822 (2013).
4. All eligible FPDR members and their survivors have received tax remedy benefits in addition to their pension benefit since the original law was passed in 1991.
5. The Internal Revenue Service requires that all benefits paid under a tax qualified plan must be fully set forth in the plan document.
6. Chapter 5 of the Charter serves as the Plan document for the FPDR Plan. However, the FPDR Plan document was not updated to include the tax remedy benefit.
7. This is strictly a procedural amendment to memorialize the tax remedy benefit in the FPDR Plan and will have no impact on how FPDR administers the plan or on the benefits members and their survivors receive.
8. The Council is authorized to change the Charter per Charter Section 5-403(a) in order to comply with Or Laws 1991, ch 796, §§ 1-16, Or Laws 1995, ch 569, §§ 1-14 and subsequent and future amendments to those laws and applicable Oregon Administrative Rules,

NOW, THEREFORE, the Council directs:

- A. The Bureau of Fire and Police Disability and Retirement to extend tax remedy benefits to all eligible FPDR members and their survivors in compliance with all applicable Oregon laws and Administrative Rules.

B. The Fire and Police Disability, Retirement and Death Benefit Plan hereby is amended as described in the document attached as Exhibit A.

Section 2. The City Council declares that an emergency exists in order that the amendments described in Section 1 hereof may be implemented without undue delay; therefore, this ordinance shall be in full force and effect from and after its passage by the City Council.

Passed by the Council, OCT 26 2016

Mayor Charlie Hales
Prepared by: Samuel Hutchison
Date Prepared: October 10, 2016

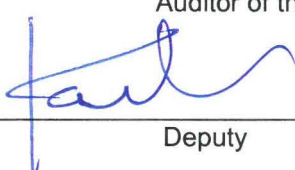


MARY HULL CABALLERO
Auditor of the City of Portland

By



Deputy

*Amend the Fire and Police Disability, Retirement and Death Benefit Plan to extend tax remedy benefits to all eligible **FPDR** members and their survivors in compliance with all applicable Oregon laws and Administrative Rules. (Ordinance)

<p style="text-align: center;">INTRODUCED BY Commissioner/Auditor: Mayor Hales</p>	<p>CLERK USE: DATE FILED <u>OCT 18 2016</u></p>
<p style="text-align: center;">COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick</p>	<p style="text-align: center;">Mary Hull Caballero Auditor of the City of Portland</p> <p>By:  _____ Deputy</p>
<p style="text-align: center;">BUREAU APPROVAL</p> <p>Bureau: Fire & Police Disability & Retirement Bureau Head: Samuel Hutchison </p>	<p>ACTION TAKEN:</p>
<p>Prepared by: SH:kk Date Prepared: October 10, 2016</p>	
<p>Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p>	
<p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	
<p>City Auditor Office Approval: required for Code Ordinances</p>	
<p>City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter </p>	
<p>Council Meeting Date: 10/26/16</p>	

AGENDA
<p>TIME CERTAIN <input type="checkbox"/></p> <p>Start time: _____</p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>
<p>CONSENT <input checked="" type="checkbox"/></p>
<p>REGULAR <input type="checkbox"/></p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Novick	4. Novick	✓	
Hales	Hales	✓	