

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Pension Trust	(2) MEETING DATE 12/17/2013	(3) CONTACT/PHONE Carl Nelson, Executive Secretary 781-5465	
(4) SUBJECT Submittal of a resolution approving amendments to the San Luis Obispo County Employees Retirement Plan Appendices for contribution rate increases for agencies contracting with the Pension Trust. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board adopt a resolution approving amendments to the San Luis Obispo County Employees Retirement Plan Appendices for non-County entities contracting with the Pension Trust.			
(6) FUNDING SOURCE(S) n/a	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? n/a
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) n/a		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: n/a <input type="checkbox"/> 4/5 Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Guy Savage			
(18) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Pension Trust / Carl Nelson, Executive Secretary
781-5465

DATE: 12/17/2013

SUBJECT: Submittal of a resolution approving amendments to the San Luis Obispo County Employees Retirement Plan Appendices for contribution rate increases for agencies contracting with the Pension Trust. All Districts.

RECOMMENDATION

It is recommended that the Board adopt a resolution approving amendments to the San Luis Obispo County Employees Retirement Plan Appendices for non-County entities contracting with the Pension Trust.

DISCUSSION:

The San Luis Obispo County Employees Retirement Plan provides for Contracting Agencies participation with the Pension Trust. Contracting agencies are non-County entities that contract with the Pension Trust to have their officers and employees participate in the Pension Trust and the Employees Retirement Plan. At present the San Luis Obispo County agencies that contract with the Pension Trust to participate in the Retirement Plan are:

Local Agency Formation Commission (LAFCO)
Superior Court of California
Air Pollution Control District (APCD)

The setting of the terms of the Retirement Plan and employer and employee pension contribution rates falls under the authority of the County as the plan sponsor for the Retirement Plan. Contribution rates for the Retirement Plan are increasing for all employees in Tier 1 and Tier 2 pension benefit categories effective the pay period that includes January 1, 2014. The pension contribution rate increase for all Miscellaneous Members is 0.97% in aggregate. This resolution puts into place Retirement Plan amendments for contribution rate increases to the Contracting Agencies in accord with those agencies collective bargaining agreements or governing board decisions.

Appendix A – Miscellaneous Members Contribution Rates and Appendix A Tier 2 –Miscellaneous Members Contribution Rates reflect the new employer appropriation rates and the new Tier 1 and Tier 2 member contributions rates.

OTHER AGENCY INVOLVEMENT:

Representatives from the Administrative Office and the Pension Trust participated in the development of the employees' retirement plan appendices. County Counsel has reviewed and approved the Resolution for legal form and effect. The Contracting Agencies have been informed of the required increase in pension contribution rates. The Auditor's Office, Human Resources, and the Contracting Agencies involved will process the system changes needed to implement these rate changes.

FINANCIAL CONSIDERATIONS:

Pension Rate Increases:

Each year, an actuarial valuation is conducted by the San Luis Obispo County Pension Trust ("Trust") as a measure of the funding status of the Trust. Based on the 2012 report, it was determined that an increased rate of contribution was needed to appropriately fund the Trust. This rate increase will be effective the pay period that includes January 1, 2014. Based on this implementation date, the total rate increase for all non-safety and non-probation employees ("miscellaneous members") is 0.97%. Pursuant to decisions by LAFCO, the pension contribution rate increase will be allocated 0.49% to the employer and 0.48% to the employees. Pursuant to existing collective bargaining agreements, the Superior Court's pension contribution rate increase will be allocated 0.65% to the employer and 0.32% to the employees. Pending future action by the Board of the APCD, the APCD's pension contribution rate increase will be allocated 0.97% to the employer and 0.00% to the employees until allocated differently by APCD. The cost of the pension contribution rate increase for Contracting Agencies will not alter the County's annual ongoing costs.

RESULTS:

Approval of this resolution will result in increased pension contributions from the Contracting Agencies in compliance with the Retirement Plan's terms and consistent with rates paid by the County employer.

ATTACHMENTS

1. Resolution