

RESOLUTION NO. _____
 BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

RESOLUTION ADOPTING RECOMMENDATIONS
 MADE BY THE BOARD OF RETIREMENT
 PURSUANT TO GOVERNMENT CODE SECTION 31453

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, Government Code §31453 mandates the periodic actuarial valuation of the Retirement Fund and requires that the Board...*shall, at least 45 days prior to the beginning of the succeeding fiscal year, recommend to the Board of Supervisors such changes in the rates of interest, in the rates of contributions of members, and in the county and district appropriations as are necessary...*; and

WHEREAS, the Board of Retirement has received, reviewed and approved the reports of its actuary, William M. Mercer, Incorporated, and the Retirement Administrator/Chief Executive Officer setting forth recommendations to assure the actuarial soundness of the Retirement Fund; and

WHEREAS the Board has reviewed the recommendations and finds them to be in the best interest of the members, retirees and beneficiaries of the Retirement System:

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED, that

- The County shall make contributions to the Retirement Fund in accordance with the following schedule of Contribution Rates, as a percentage of salaries, effective July 6, 2003:

	<u>Plan 1</u>	<u>Plan 2</u>	<u>Plan 3</u>	<u>Plan 4</u>
EFFECTIVE JULY 6, 2003:				
<u>General Member Rates:</u>				
Normal Cost	11.58%	10.67%	6.70%	8.95%
Contribution to Unfunded Accrued Actuarial Liability	<u>6.43%</u>	<u>2.46%</u>	<u>2.00%</u>	<u>1.56%</u>
Total General Member Rates	<u>18.01%</u>	<u>13.13%</u>	<u>8.70%</u>	<u>10.51%</u>
<u>Safety Member Rates:</u>				
Normal Cost	21.64%	18.02%	None	16.23%
Contribution to Unfunded Accrued Actuarial Liability	<u>10.04%</u>	<u>4.79%</u>	None	<u>3.49%</u>
Total Safety Member Rates	<u>31.68%</u>	<u>22.81%</u>		<u>19.72%</u>
<u>Probation Member Rates:</u>				
Normal Cost	27.06%	17.02%	None	14.45%
Contribution to Unfunded Accrued Actuarial Liability	<u>4.23%</u>	<u>4.40%</u>	None	<u>2.99%</u>
Total Probation Member Rates	<u>31.29%</u>	<u>21.42%</u>		<u>17.44%</u>
EFFECTIVE UPON IMPLEMENTATION OF GC§31676.16 (2% @ 55):				
<u>General Member Rates:</u>				
Normal Cost	13.56%	11.80%	6.70%	9.77%
Contribution to Unfunded Accrued Actuarial Liability	<u>8.51%</u>	<u>4.54%</u>	<u>4.08%</u>	<u>3.64%</u>
Total General Member Rates	<u>22.07%</u>	<u>16.34%</u>	<u>10.78%</u>	<u>13.41%</u>
EFFECTIVE UPON IMPLEMENTATION OF GC§31664.2 (3% @ 55):				
<u>Safety Member Rates:</u>				
Normal Cost	25.06%	21.91%	None	20.14%
Contribution to Unfunded Accrued Actuarial Liability	<u>17.37%</u>	<u>12.12%</u>	None	<u>10.82%</u>
Total Safety Member Rates	<u>42.43%</u>	<u>34.03%</u>		<u>30.96%</u>

	<u>Plan 1</u>	<u>Plan 2</u>	<u>Plan 3</u>	<u>Plan 4</u>
EFFECTIVE UPON IMPLEMENTATION OF GC§31664.2 (3% @ 55):				
<u>Probation Member Rates:</u>				
Normal Cost	31.47%	24.05%	None	19.51%
Contribution to Unfunded Accrued Actuarial Liability	<u>7.98%</u>	<u>8.15%</u>	None	<u>6.74%</u>
Total Probation Member Rates	<u>39.45%</u>	<u>32.20%</u>		<u>26.25%</u>

Be it further

2. The Board hereby adopts the actuary's recommended **Entry Age Member Contribution Rates** for the County in accordance with the schedule set forth in the table entitled *Member Contribution Rates*, as a percentage of covered salaries, effective July 6, 2003. Be it further
3. The Board hereby adopts the 15% Adjusted Probation Entry Age Member Contribution Rates as provided for in the ratified County Memorandum of Understanding, effective October 12, 2003. Be it further
4. The Board hereby adopts the 1% of covered payroll **Cost Sharing Member Contribution** for **General Members** as set forth in the ratified County Memorandums of Understanding payable without regard to any other provision of law, effective August 30, 2003. Be it further
5. The Board hereby adopts the 2% of covered payroll **Cost Sharing Member Contribution** for **Safety Members** as set forth in the ratified County Memorandums of Understanding payable without regard to any other provision of law, effective upon implementation of GC§31644.2 (3% @ 55). Be it further
6. The Board hereby adopts the additional 1% of covered payroll **Cost Sharing Member Contribution** for **Safety Members** as set forth in the ratified County Memorandums of Understanding payable without regard to any other provision of law, effective January 4, 2004. Be it further
7. The Board hereby adopts the 1.5% of covered payroll **Cost Sharing Member Contribution** for **Probation Members** as set forth in the ratified County Memorandum of Understanding payable without regard to any other provision of law, effective October 12, 2003. Be it further
8. The Board hereby adopts the additional 1% of covered payroll **Cost Sharing Member Contribution** for **Probation Members** as set forth in the ratified County Memorandum of Understanding payable without regard to any other provision of law, effective January 4, 2004. Be it further
9. The Board hereby requests that the Board of Retirement refund the sum of the **Cost Sharing Member Contributions** and interest credited thereon collected from each General Member age 65 or greater who retires during the period of time that GC§31676.16 is operative in San Mateo County.

MEMBERS' CONTRIBUTION RATES
(New Formula)

ENTRY AGE	GENERAL			SAFETY				PROBATION			
	Plans 1 & 2	Plan 4	Cost Sharing* August 30, 2003	Plans 1 & 2	Plan 4	Cost Sharing* July 1, 2003	Cost Sharing* January 1, 2004	Plans 1 & 2**	Plans 4**	Cost Sharing* October 12, 2003	Cost Sharing* January 1, 2004
16	5.47%	5.22%	1.00%								
17	5.47%	5.22%	1.00%								
18	5.47%	5.22%	1.00%	6.75%	6.42%	2.00%	3.00%	7.94%	7.56%	1.50%	2.50%
19	5.47%	5.22%	1.00%	6.75%	6.42%	2.00%	3.00%	7.94%	7.56%	1.50%	2.50%
20	5.47%	5.22%	1.00%	6.75%	6.43%	2.00%	3.00%	7.95%	7.57%	1.50%	2.50%
21	5.48%	5.22%	1.00%	6.77%	6.44%	2.00%	3.00%	7.97%	7.58%	1.50%	2.50%
22	5.49%	5.23%	1.00%	6.78%	6.46%	2.00%	3.00%	7.98%	7.60%	1.50%	2.50%
23	5.50%	5.25%	1.00%	6.80%	6.47%	2.00%	3.00%	8.00%	7.61%	1.50%	2.50%
24	5.52%	5.26%	1.00%	6.82%	6.49%	2.00%	3.00%	8.02%	7.64%	1.50%	2.50%
25	5.54%	5.28%	1.00%	6.84%	6.51%	2.00%	3.00%	8.05%	7.66%	1.50%	2.50%
26	5.56%	5.30%	1.00%	6.87%	6.54%	2.00%	3.00%	8.08%	7.69%	1.50%	2.50%
27	5.59%	5.33%	1.00%	6.90%	6.57%	2.00%	3.00%	8.12%	7.73%	1.50%	2.50%
28	5.62%	5.36%	1.00%	6.94%	6.60%	2.00%	3.00%	8.16%	7.77%	1.50%	2.50%
29	5.65%	5.39%	1.00%	6.98%	6.64%	2.00%	3.00%	8.21%	7.82%	1.50%	2.50%
30	5.68%	5.42%	1.00%	7.03%	6.69%	2.00%	3.00%	8.27%	7.87%	1.50%	2.50%
31	5.72%	5.45%	1.00%	7.08%	6.74%	2.00%	3.00%	8.33%	7.93%	1.50%	2.50%
32	5.78%	5.49%	1.00%	7.14%	6.79%	2.00%	3.00%	8.40%	7.99%	1.50%	2.50%
33	5.80%	5.53%	1.00%	7.20%	6.85%	2.00%	3.00%	8.47%	8.06%	1.50%	2.50%
34	5.85%	5.58%	1.00%	7.27%	6.92%	2.00%	3.00%	8.55%	8.14%	1.50%	2.50%
35	5.90%	5.63%	1.00%	7.34%	6.99%	2.00%	3.00%	8.64%	8.22%	1.50%	2.50%
36	5.96%	5.68%	1.00%	7.42%	7.06%	2.00%	3.00%	8.73%	8.31%	1.50%	2.50%
37	6.02%	5.74%	1.00%	7.50%	7.14%	2.00%	3.00%	8.83%	8.40%	1.50%	2.50%
38	6.09%	5.80%	1.00%	7.59%	7.22%	2.00%	3.00%	8.93%	8.50%	1.50%	2.50%
39	6.15%	5.87%	1.00%	7.68%	7.31%	2.00%	3.00%	9.04%	8.60%	1.50%	2.50%
40	6.22%	5.94%	1.00%	7.78%	7.40%	2.00%	3.00%	9.15%	8.71%	1.50%	2.50%
41	6.30%	6.01%	1.00%	7.88%	7.50%	2.00%	3.00%	9.27%	8.82%	1.50%	2.50%
42	6.38%	6.08%	1.00%	7.99%	7.60%	2.00%	3.00%	9.39%	8.94%	1.50%	2.50%
43	6.46%	6.16%	1.00%	8.09%	7.70%	2.00%	3.00%	9.52%	9.06%	1.50%	2.50%
44	6.54%	6.24%	1.00%	8.21%	7.81%	2.00%	3.00%	9.65%	9.19%	1.50%	2.50%
45	6.63%	6.32%	1.00%	8.32%	7.92%	2.00%	3.00%	9.79%	9.32%	1.50%	2.50%
46	6.72%	6.41%	1.00%	8.44%	8.03%	2.00%	3.00%	9.93%	9.45%	1.50%	2.50%
47	6.82%	6.50%	1.00%	8.56%	8.15%	2.00%	3.00%	10.07%	9.59%	1.50%	2.50%
48	6.92%	6.60%	1.00%	8.69%	8.28%	2.00%	3.00%	10.22%	9.74%	1.50%	2.50%
49	7.02%	6.70%	1.00%	8.82%	8.42%	2.00%	3.00%	10.37%	9.89%	1.50%	2.50%
50	7.13%	6.80%	1.00%								
51	7.24%	6.90%	1.00%								
52	7.35%	7.01%	1.00%								
53	7.47%	7.12%	1.00%								
54	7.59%	7.24%	1.00%								
55	7.71%	7.35%	1.00%								
56	7.83%	7.47%	1.00%								
57	7.95%	7.59%	1.00%								
58	8.08%	7.89%	1.00%								
59 & Over	8.21%	8.21%	1.00%								

The following sections are also used in deriving the contribution rates.

Section	GENERAL		SAFETY		PROBATION OFFICERS	
	Plans 1 & 2	Plan 4	Plans 1 & 2	Plan 4	Plans 1 & 2	Plans 4
Years of Final Average Salary	31676.1	31676.1	31664.2	31664.2	31664.2	31664.2
Percent of Full Rates	1	3	1	3	1	3
	100%	100%	85%	85%	100%**	100%**

* Cost sharing is paid by all members, including those General members with over 30 years of service. Safety and Probation members with over 30 years of service do not pay basic contributions but continue to pay 100% of cost sharing contributions.

** For Probation members, these rates do not reflect the 15% county pick-up at October 12, 2003. As of October 12, 2003, their rates should be calculated by taking the above rates and multiplying by 85%. Members will continue to pay 100% of the cost sharing contributions.