



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Human Resources Department



**DATE:** September 19, 2011  
**BOARD MEETING DATE:** October 4, 2011  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority

**TO:** Honorable Board of Supervisors

**FROM:** Donna Vaillancourt, Director of Human Resources

**SUBJECT:** Implementation date for newly hired general member employees' share of cost to fund cost of living adjustment for retirement benefits.

**RECOMMENDATION:**

Adopt a Resolution ratifying the implementation of employee share of cost to fund cost of living adjustment for retirement benefits for those general member employees hired on or after August 7, 2011.

**BACKGROUND:**

Government Code section 31873 provides that the Board of Supervisors by majority vote may determine to pay part of the costs of the contributions which would be assessed to individual county employees for the cost of funding applicable cost of living adjustments ("COLAs") to pension benefits received from the San Mateo County Employees Retirement Association ("SamCERA").

The Board and employee representatives from the bargaining units representing the general members have executed memoranda of understanding ("MOU"s) agreeing to changes in the required contributions to fund the cost of COLAs to pension benefits. Under the MOUs newly hired general members will pay up to 50% of the cost of COLAs as determined by SamCERA. In addition, the Board has approved resolutions setting forth this contribution requirement for newly hired general members who are management employees.

**DISCUSSION:**

The MOUs and the management resolutions do not provide an exact date as to when the implementation of the COLA share is to commence. Rather, these documents provide that it applies to general member employees hired after the first pay period following the implementation by all bargaining units in the general member retirement plan. It has been determined that the implementation by all bargaining units is August 7, 2011. It is important for the records of the County as well as SamCERA that this implementation date be memorialized and ratified by the Board of Supervisors.

County Counsel has reviewed and approved the resolution.

Adopting this resolution relating to retirement benefit changes contributes to Shared Vision 2025 of a Prosperous Community by helping to meet current budget challenges.

**FISCAL IMPACT:**

Based on actuarial data provided by Milliman, the cost savings for implementing the general member employees' share of cost to fund cost of living adjustment for retirement benefits are estimated to be as follows: savings by the end of the first year one at \$68,000, cumulative savings by year 10 at \$11.6 million, and cumulative savings by year 20 at \$52.3 million.

**RESOLUTION NO. \_\_\_\_\_**

**BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA**

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**RESOLUTION RATIFYING THE IMPLEMENTATION OF EMPLOYEE SHARE OF COST TO FUND COST OF LIVING ADJUSTMENT FOR RETIREMENT BENEFITS FOR THOSE GENERAL MEMBER EMPLOYEES HIRED ON OR AFTER AUGUST 7, 2011**

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

**WHEREAS**, Government Code section 31873 provides that the Board of Supervisors by majority vote may determine to pay part of the costs of the contributions which would be assessed to individual county employees for the cost of funding applicable cost of living adjustments to pension benefits received from the San Mateo County Employees Retirement Association ("*SamCERA*"); and

**WHEREAS** representatives of this Board have met and conferred with representatives of the recognized employee bargaining groups representing the *SamCERA* general members about proposed changes to the share of costs to fund cost of living adjustments and the Board and the employee representatives have executed memoranda of understanding agreeing to the changes in the required contributions and the Board has approved resolutions applicable to general members who are management employees; and

**WHEREAS**, these memoranda of understanding and management resolutions provide that general member county employees hired after the first pay period following the adoption by all bargaining units in the general member retirement plan will pay up to 50% of

the retirement cost of living adjustment cost as determined by *SamCERA*; and

**WHEREAS**, this Board hereby determines that, based upon the date of adoption by all bargaining units and cost determination by *SamCERA*, the date of implementation was August 7, 2011.

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

The implementation date of an employee share of cost to fund cost of living adjustment for retirement benefits for those general member employees hired on or after August 7, 2011 is hereby ratified.

This cost of living adjustment contribution will not be reduced by employer pick-up of employee retirement contributions. This cost of living adjustment contribution will not be reduced for employees with 30 years of service. In all other ways, this cost of living adjustment contribution will be treated in the same manner and will be subject to the same provisions in the state law and Board of Retirement regulations as other employee contributions.

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