



**SUPERIOR COURT OF CALIFORNIA
COUNTY OF EL DORADO
ADMINISTRATION
MEMORANDUM**

TO: Judith Kerr, Deputy County Counsel

FROM: Jackie Davenport, Asst. Court Executive Officer

DATE: June 11, 2013

RE: Adoption of Resolution for Employer Paid Member Contributions to Reduce Employer Contribution to PERS Retirement for Superior Court Employees Only

Recommendation:

Advance the attached CalPERS resolutions for approval to the Board of Supervisors to effect communication of a change in the Employer-Paid Member Contribution paid by the Superior Court of El Dorado County (the Court) pursuant to Government Code section 20691 for Court employees.

Background and Discussion:

Prior to 2001, Court employees were employees of the County of El Dorado (County). In 2001, the State passed the Trial Court Employment Protection and Governance Act, which removed Court employees from County service and established the Court as the employer.

Today, the Court, and not the County, is responsible for negotiating with employee unions, establishing pay scales, providing benefits, and all other employment decisions and actions related to Court employees. The County has no authority over or role in Court employment, with one exception.

Court employees remain under the County's contract with CalPERS for retirement. Changes made to retirement formulas, like the one made by the County to change the Tier 2 employee formula to 2% at 60 for all new employees effective October 5, 2012, automatically impacts Court employees.

This automatic application does not extend to decisions regarding the Employer-Paid Member Contribution (EPMC). Decisions by the County to change the percentage of EPMC paid and reporting for County employees does not affect Court employees. The opposite is also true. The Court has sole discretion to change or modify the EPMC paid by the Court on behalf of its employees. Such action does not impact County employees.

However, pursuant to CalPERS regulations, CalPERS requires that the Governing Board that holds the contract with CalPERS adopt and transmit a resolution related to an employer's change in the EPMC.

What Action is Being Requested:

The Court will change the EPMC for its employees as follows:

- For all employees of the Superior Court Executive, Management, Supervisory, Confidential and General Represented Units court will pay zero percent of the normal contributions as EPMC effective June 29, 2013.

The Court is requesting that the Board of Supervisors approve and adopt the Resolutions of the El Dorado Superior Court for Employer-Paid Member Contributions.

Fiscal Impact:

This action will have no fiscal impact on the County as it relates to employment costs paid by the Court.

Changes in the employee contributions towards retirement, or stated a different way, the elimination of the Court paying a portion of the employee share of retirement, will substantially reduce current and future budget deficits. These actions were taken by the Court following extensive bargaining with the primary labor union.