



County of El Dorado

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Legislation Text

File #: 08-1617, Version: 3

Chief Administrative Office recommending adoption of Resolution **309-2008** to provide a designated period for two years additional service credit for certain classifications in the Sheriff's Department; and Chairman be authorized to sign the required Certificate of Compliance for same; and adoption of Resolution **310-2008** to provide two years of additional County service credit for the sole purpose of retiree health insurance and allow for one (1) opportunity to changes health insurance programs. (Refer 11/4/08, Item 19)

FUNDING: General Fund.

BUDGET SUMMARY:		
Total Estimated Cost	2 Likely Takers	\$ 26,962
Funding		
Budgeted	\$	
New Funding	\$	
Savings over 2 Years	\$ 675,381	
Other	\$	
Total Funding Available	\$	
Anticipated Net County Savings		\$ (648,419)

Fiscal Impact/Change to Net County Cost: The estimated amount of net savings to the General Fund for FY 2008-09 is 64,898. Based on the Sheriff's commitment to leave the two positions vacant for two years the total estimated savings to the General Fund is \$675,381.

Background:

In accordance with Government Code Sections 20903 and 7507, PERS requires a series of actions in order to provide an additional two years of service credit towards retirement.

The first action requires public notice of prospective costs. Government Code Section 7507 requires that the cost to provide this benefit be made public at a public meeting at least two weeks prior to the adoption of the Resolution. This public notice was provided to the Board on November 4, 2008, agenda item #19, Legistar File #08-1617.

Reason for Recommendation:

Position Elimination:

The second action requires adoption of a resolution that would provide additional service credit for eligible employees in a specified classification who retire during a designated window period. This resolution would provide two years additional service credit for up to nine employees in specified

classification in the Sheriff's Department who retire between November 19, 2009 and February 17, 2009.

Retiree Health:

The proposed early retirement program would add two years of service credit to affected County employees. However, it would not automatically add two years of County service for purposes of determining the level of retiree health insurance benefits. Without specifically including this option into the early retirement program, some potential retirees may opt to wait until they serve enough time to reach the higher benefit level. For instance, an employee with 18 years of service may wait to retire for two years, when his retiree health insurance benefit rises from 50% of single-party premium to 67% of single-party premium. This consideration may affect the decision for one of the nine identified employees.

Fiscal Impact:

The estimated cost associated with the two years additional service credit for two affected eligible employees is \$26,962. The added cost to the retirement fund will be included in the County's next annual employer contribution rate. In addition, there is an actuarial fee of \$10.00 for each eligible member who retired during the designated period.

Should the Board not approve this request there will be a budgetary impact to the Sheriff's Department budget since there were two positions not funded for six months in anticipation of at least two employees taking the offer of additional service credits.

Action to be taken following Board approval:

Board Chair will sign the Certificate of Compliance and Agreement to the Requirements of Section 20903.

Board Chair will sign Resolution # _____ and Resolution # _____

The Board Clerk certifies the Governing Body's action.

Contact: Kelly Webb, Ext 6565

Concurrences: Human Resources