



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager's Office



Date: June 13, 2012
Board Meeting Date: July 10, 2012
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Early Retirement in Lieu of Layoffs

RECOMMENDATION:

Adopt a Resolution enacting Section 31641.04 of the Government Code enabling otherwise eligible employees in the classifications listed below to select an early retirement option as alternative to layoffs:

- * Advisory Systems Engineer
- * Fiscal Office Assistant Series
- * Fiscal Office Specialist
- * Medical Office Assistant Series
- * Patient Services Assistant Series

BACKGROUND:

Government Code Section 31641.04 permits members of the County Employees' Retirement System to receive one additional year of service credits toward retirement under conditions established by the Board of Supervisors. This code section was enacted on a broad basis in 1988 as a result of curtailment of services and changes in the manner of services. By invoking this code section the number of layoffs as a result of the cost savings was reduced. Since that time, your Board has periodically adopted resolutions that allowed employees in various departments to select the early retirement option to reduce costs and prevent employees from being laid off.

DISCUSSION:

To meet reduced budgets, the Information Services Department, Human Services Agency and Health System are eliminating filled positions within their respective departments in the following classifications: Advisory Systems Engineer, Fiscal Office Assistant Series, Fiscal Office Specialist, Medical Office Assistant Series and Patient Services Assistant Series. Exercising an early retirement option will reduce the number of layoffs within these classifications. We are recommending that the early retirement

option be implemented for the classifications identified above, resulting in 11 employees participating in the program.

Pursuant to Government Code Sections 31516, 7507, and 31641.04, the actuarial certification of cost to provide the early retirement option was presented for your review on June 26, 2012 and County Counsel has reviewed and approved the recommended Resolution as to form.

The adoption of this resolution contributes to the Shared Vision 2025 outcome of a Collaborative Community by ensuring that government decisions and approach to issues are based around fiscal accountability and concern for future impacts.

FISCAL IMPACT:

The cost to grant early retirement to the 11 employees is \$218,651. Based on the assumption that each one of the 11 employees would have worked for one more year if there was no early retirement incentive, there will be a resulting salary and benefits savings of approximately \$646,088. This is based on annual salary and benefits at a cost of approximately \$864,739.

Long-term employees who have elected this option will benefit by receiving an additional one-year of service credit in the calculation of pension benefits. The increase in pension benefits will vary person to person. Past calculations have resulted in approximately a 3.5% increase.