



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



Date: September 21, 2012
Board Meeting Date: October 23, 2012
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Early Retirement Cost

RECOMMENDATION:

Accept actuarial certification of cost to grant early retirement option with one year of additional service credit for certain classifications within the Department of Public Works and Parks, and the Health System

BACKGROUND:

Due to reduced funding levels in FY 2012-2013, departments proposed and the Board approved the elimination of some positions in order to balance their budgets. In an effort to decrease the overall impact of these position eliminations, a resolution implementing Government Code Section 31641.04 (granting early retirement) for specific County classifications, will be recommended for your adoption on November 6, 2012.

DISCUSSION:

Pursuant to Government Code Sections 31516, 7507 and 31641.04, the actuarial certification of the cost to provide the early retirement option is being presented for your review at least two weeks prior to the adoption of the resolution.

Two employees representing two classifications in the Department of Public Works and Parks, and the Health System have elected the early retirement option. These employees will receive an additional one-year of service credit in the calculation of their pension benefits. The increase in pension benefits will vary person to person but past calculations have resulted in approximately a 3.5% increase.

These early retirements will reduce the likely number of employees at-risk of lay-offs by two.

FISCAL IMPACT:

The cost to grant early retirement to the two employees is \$59,991.99. Based on the assumption that each one of the two 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 \$159,679.40. This is based on annual salary and benefits at a cost of approximately \$219,671.28.

Attachments:

- Early Retirement Cost by Classification
- Actuarial Certification