



**DATE:** August 1, 2016  
**BOARD MEETING DATE:** August 9, 2016  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority

**TO:** Honorable Board of Supervisors  
**FROM:** Scott Hood, Chief Executive Officer  
**SUBJECT:** Adoption of Amended Employer and Member Retirement for Certain Contribution Rates for FY 2016-2017.

**RECOMMENDATION:**

Adopt a resolution amending the rates set for employer and member contributions for the San Mateo County Employees' Retirement Association for certain members for fiscal year 2016-2017 in accordance with Government Code Sections 31453 and 31454.

**BACKGROUND:**

Government Code Section 31453 requires the Board of Retirement to conduct periodic actuarial valuations of the retirement system and to recommend contribution rates to the Board of Supervisors. Section 31454 requires the Board of Supervisors, not later than 90 days after the beginning of the immediately succeeding fiscal year, to adjust the rates of interest, the rates of contributions of all members all participating employers in accordance with the recommendations of the Board of Retirement.

On March 29, 2019, the Board of Supervisors set all employer and member contribution rates for FY 2016-2017. Subsequently, the County and the Probation and Detention members (PDA) agreed that PDA members would contribute 50% of the retirement Cost of Living Adjustment (COLA) costs and that the County would no longer pick up of 20% the PDA member contributions.

**DISCUSSION:**

The Board of Retirement's actuary, Milliman Inc., recommended that certain adjustments be made to the rates set by the Board to reflect the cost shifting of a certain percentage of contributions from the County to the PDA members. The Board of Retirement is forwarding such rates pursuant to Government Code §31453 with a recommendation that they be adopted by the Board of Supervisors.

Milliman created amendments to the following exhibits to reflect the changes:

|  |               |
|--|---------------|
| Basic member rates for all Safety and Probation members        | (Exhibit D-2) |
| Exhibit D-3 is no longer used                                  | (Exhibit D-3) |
| 50% COLA share rates for General and SMCM&VCD members          | (Exhibit D-4) |
| 50% COLA share rates for Safety members and Probation Managers | (Exhibit D-5) |
| 50% COLA share rates for PDA members                           | (Exhibit D-6) |
| Statutory Employer Contribution Rates – All Plans              | (Exhibit 10)  |
| Employer Statutory Contribution Rates- Probation               | (Exhibit 10d) |
| Calculated Gross Normal Cost Rates                             | (Exhibit 11)  |