

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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RESOLUTION:

A) CLOSING RETIREMENT PLAN 3 AS SET FORTH IN ARTICLE 1.6. OF THE COUNTY EMPLOYEES' RETIREMENT LAW EFFECTIVE ON DECEMBER 23, 2012, FOR ALL "NEW MEMBERS" OF THE RETIREMENT SYSTEM AS DEFINED BY THE CALIFORNIA PUBLIC EMPLOYEES' PENSION REFORM ACT OF 2013; AND;

B) CLOSING RETIREMENT PLAN 3 AS SET FORTH IN ARTICLE 1.6. OF THE COUNTY EMPLOYEES' RETIREMENT LAW EFFECTIVE ON DECEMBER 23, 2012, FOR ALL EMPLOYEES WHO ARE NOT "NEW MEMBERS" OF THE RETIREMENT SYSTEM AS DEFINED BY THE CALIFORNIA PUBLIC EMPLOYEES' PENSION REFORM ACT OF 2013, PENDING COMPLETION OF A MEET AND CONFER PROCESS WITH AFFECTED LABOR ORGANIZATIONS

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, on March 14, 1983, the Board of Supervisors adopted a resolution implementing Article 1.6 of the County Employees' Retirement Law (Government Code sections 31496-31498.7), which provides for an optional, non-contributory retirement plan, known as Plan 3, for general members of the defined benefit retirement system administered by the San Mateo County Employees' Retirement Association (SamCERA); and

WHEREAS, Plan 3 was designed to provide general members with a significantly reduced defined benefit plan to which they were not required to contribute; and

WHEREAS, the California Public Employees' Pension Reform Act of 2013 (PEPRA) imposes, among other requirements, a 50% normal cost sharing on all "new members" of SamCERA, including those who would participate in Plan 3; and

WHEREAS, under PEPRA, a 'new member' of SamCERA means: (1) an individual who becomes a member of SamCERA for the first time on or after January 1, 2013, and who was not a member of any other public retirement system prior to that date, or (2) an individual who becomes a member of SamCERA on or after January 1, 2013, who was a member of another public retirement system prior to that date, but who is not subject to reciprocity under SamCERA; and

WHEREAS, under PEPRA, employees who first become members of SamCERA on or after January 1, 2013, but who establish reciprocity under SamCERA, are entitled to the same benefit plans that were available to employees hired by a SamCERA employer on or before December 31, 2012; and

WHEREAS, Plan 3 will cease to serve its primary function as a non-contributory plan option when PEPRA becomes effective on January 1, 2013 for all PEPRA members; and

WHEREAS, PEPRAs requires that “new members” only be offered one plan.

WHEREAS, the PEPRAs conforming plan the County intends to offer “new members” will provide substantially greater benefits than Plan 3. Therefore, it is allowable and imperative that the County close Plan 3 to “new members” on or before December 31, 2012, in order to ensure that the more robust PEPRAs conforming plan is available to them; and

WHEREAS, only 142 active general plan members, approximately 3% of all general members, are currently in Plan 3, and of those members only 3 established reciprocity with a prior employer; and

WHEREAS, closing Plan 3 for new members under PEPRAs, but continuing Plan 3 for newly hired employees who are not “new members” as defined by PEPRAs will increase the costs of maintaining Plan 3; and

WHEREAS, this Board of Supervisors has determined that continuing to maintain Plan 3 for any newly hired employees is not in the long-term interests of the County or its employees; and

WHEREAS, Section 31483 of the Government Code provides that whenever the Board of Supervisors makes a particular provision or provisions of the CERL effective in the County through the adoption of a resolution, the Board may at any time thereafter adopt a further resolution terminating the applicability of such provision or provisions as to employees whose services commence after a future date specified in that latter resolution; and

WHEREAS, the County intends to meet and confer with employee representatives regarding the closure of Plan 3 for new employees who are not “new members” as defined by PEPRAs.

WHEREAS, it has been determined that Plan 3 should be kept open for all retired, active and deferred members, both vested and nonvested, who are currently members of Plan 3;

NOW THEREFORE, BE IT RESOLVED, by the Board of Supervisors that Plan 3 is closed effective December 23, 2012, and no longer available for participation by “new members” of the retirement system as defined by the California Public Employees’ Pension Reform Act of 2013;;and

BE IT FURTHER RESOLVED, that Plan 3 is closed effective December 23, 2012, and no longer available for participation by all newly hired employees who are not “new members” as defined by the California Public Employees’ Pension Reform Act of 2013, pending completion of a meet and confer process with affected labor organizations.

BE IT FURTHER RESOLVED, that all terms of Plan 3 continue to be in effect for each employee hired before December 23, 2012, who elect to be members of Plan 3 and all retired, current, and deferred members of Plan 3.