



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HUMAN RESOURCES

**File #:** 24-378

Board Meeting Date: 5/21/2024

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Rocio Kiryuczun, Human Resources Director

**Subject:** Actuarial impact upon future annual costs if the Board of Supervisors were to adopt a resolution authorizing an agreement changing retiree health benefits for the County Executive Officer

### **RECOMMENDATION:**

Accept an analysis on the actuarial impact upon future costs if the Board of Supervisors adopts a resolution authorizing an agreement changing retiree health benefits for the County Executive Officer.

### **BACKGROUND:**

Established in the Salary and Benefits of Unrepresented Management employees, if the County Executive Officer retires concurrently with his separation from County service, for every 8 hours of unused sick leave, the County will pay \$400 toward the premium for one month of the retiree health plan. The County has been exploring retiree health benefits for the County Executive Officer.

### **DISCUSSION:**

This actuarial report represents the current retiree health benefit tied to sick leave and the financial impacts if the Board were to adopt a proposed change from \$400 to \$800 toward the premiums for one month of the retiree health plan for every 8 hours of unused sick leave when the County Executive Officer retires concurrently with separation from County service.

### **Financial Impact on County's Future Annual Costs**

Government Code section 7507 requires the County to provide the estimated financial impact that proposed changes to Other Pensionable Employee Benefits (OPEB) and Pension benefits would have on the future annual costs including but not limited to the annual dollar changes, or the total dollar changes involved as well as normal cost and any change to accrued liability.

As reflected in the attached letter from Milliman, the retiree health benefit reflected in this analysis is projected to increase the County's Actuarially Determined Contribution (ADC) by \$5,200 in the first year.

**FISCAL IMPACT:**

This change is projected to increase the County's Actuarially Determined Contribution by \$5,200 in the first year.