



County of San Mateo

Inter-Departmental Correspondence

Department: HUMAN RESOURCES

File #: 22-500

Board Meeting Date: 6/28/2022

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Rocio Kiryczun, Human Resources Director
Subject: Actuarial impact upon future annual costs if the board were to adopt a resolution changing retiree health benefits for Union of American Physician and Dentist employees

RECOMMENDATION:

Accept an analysis on the actuarial impact upon future costs if the Board were to adopt a resolution changing retiree health benefits for Union of American Physician and Dentist employees.

BACKGROUND:

On June 4, 2019, your Board adopted the tentative agreement establishing the terms and conditions of a successor agreement to the Memorandum of Understanding (MOU) with the Union of American Physician and Dentist (UAPD) which expired on May 14, 2022.

The County and UAPD have been exploring changes to the current retiree health benefits which provide a monthly sick leave value based on hire date and years of service for each 8 hours of sick leave to use towards monthly retiree health premiums upon retirement from SamCERA.

DISCUSSION:

The actuarial report represents the current retiree health benefit tied to sick leave and the financial impacts of implementing the following addition to the current retiree health benefit:

UAPD members who are actively employed as of the transition date would be reimbursed up to 240 hours per leave of absence for specified approved Medical Leaves that can be documented upon retirement.

Financial Impact on County's Future Annual Costs

Government Code 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 \$20,000 to \$27,000, depending on the amortization method, in the first year.

FISCAL IMPACT:

There would be no additional annual costs to make this change to the UAPD retiree health benefit.