



Human Resources & Development Department COUNTY OF TULARE AGENDA ITEM

BOARD OF SUPERVISORS

ALLEN ISHIDA
District One

PETE VANDER POEL
District Two

PHILLIP A. COX
District Three

J. STEVEN WORTHLEY
District Four

MIKE ENNIS
District Five

AGENDA DATE: January 15, 2013 **REVISED**

Public Hearing Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Published Notice Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Advertised Published Notice	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Meet & Confer Required	Yes <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
Electronic file(s) has been sent	Yes <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Personnel Resolution attached	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>

CONTACT PERSON: Jeffrey T. Cardell PHONE: 636-4900

SUBJECT: Rescinding Applicability of Government Code Section 31625.3 (30-year membership) as it Applies to Tier IV Members of the Tulare County Employees' Retirement Association

REQUEST(S):

That the Board of Supervisors:

Rescind the applicability of Government Code Section 31625.3 (30-year membership) as it applies to tier IV members of the Tulare County Employees' Retirement Association.

SUMMARY:

On March 16, 2004, the Tulare County Board of Supervisors adopted Resolution No. 2004-0199 which stopped employee contributions to the retirement fund for employees who reached 30 years of service credits with the County, including any reciprocal credit. Tulare County Ordinance states that any officer or employee who has more than thirty (30) years of service as a member of the retirement system and, for that reason, does not make any contributions to the retirement fund shall receive two and one half percent (2 ½%) additional compensation over and above the salary to which such officer or employee would otherwise be entitled, or shall receive such additional compensation as will equal one half (1/2) of the normal contribution for such officer or employee, whichever is greater.

The Public Employee Pension Reform Act of 2013 (PEPRA), which is effective January 1, 2013, includes a provision that new members (Tier IV) of a retirement system must pay fifty-percent (50%) of the normal costs of the plan. In order to comply with PEPRA, it is necessary to rescind the application of Government Code

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Section 31625.3 (30-Year Stop Rule) only as to Tier IV members. Tier IV employees to whom the 30-Year Stop Rule does not apply will not be eligible for the 2 1/2 % additional compensation, but members in Tiers I-III shall remain eligible. Each bargaining unit has been provided with notice of the proposed change.

FISCAL IMPACT/FINANCING:

There is no immediate fiscal impact to the County associated with change to the applicability of Resolution 2004-0199; however, over time, the County will realize reduced retirement expenses as new employees are added to Tier IV of the retirement plan.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

Organizational Performance: Provide for the stability of County operations through periods of economic fluctuations, changing priorities, and service demands.

ADMINISTRATIVE SIGN-OFF:

Jeffrey T. Cardell
Human Resources Director

Cc: Auditor-Controller
County Counsel
County Administrative Office (2)
Retirement Administrator

BEFORE THE BOARD OF SUPERVISORS COUNTY OF TULARE, STATE OF CALIFORNIA

IN THE MATTER OF RESCINDING)
APPLICABILITY OF GOVERNMENT CODE) Resolution No. _____
SECTION 31625.3)

WHEREAS, the Board of Supervisors has adopted resolutions, most recently in Resolution No. 2004-0199, adopting the optional section 31625.3 of the Government Code of the State of California, which currently provides that retirement contributions shall not be deducted from the salary of any member of the Tulare County Employees' Retirement Association (TCERA) who has total reciprocal service credit of at least 30 years in TCERA, another 1937 Act system, and/or PERS, or a combination thereof; and

WHEREAS, section 31483 of the Government Code of the State of California provides that at any time after the Board of Supervisors adopts an optional provision through a resolution, the Board may adopt a further resolution terminating the applicability of such provision as to employees whose services commence after a given future date specified in the resolution; and

WHEREAS, effective January 1, 2013, the Public Employees' Pension Reform Act of 2013 (AB 340) requires that members of Tier IV of the retirement system pay fifty percent (50%) of the normal cost of benefits and, therefore, the provisions and requirements of AB 340 supersede section 31483 of the Government Code of the State of California as to the timing of the effective date of the resolution.

NOW, THEREFORE, BE IT RESOLVED that the Tulare County Board of Supervisors hereby:

1. Terminates the applicability of Government Code section 31625.3 for Tier IV members of the Tulare County Employees' Retirement System effective January 1, 2013.

UPON MOTION OF SUPERVISOR _____, SECONDED BY SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD _____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: JEAN M. ROUSSEAU
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk