

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

215



FROM: Human Resources Dept. **SUBMITTAL DATE:** May 29, 2003

SUBJECT: Post Employment Program/Health Savings Plan - Administrative Services Contract and the Professional Services Agreement.

RECOMMENDED MOTION: 1) That the Board ratifies the attached executed documents for the Health Savings Plan that went into effect December 1, 2002. 2) Authorize the chairperson to sign both documents, the Administrative Services Contract and the Professional Services Agreement; and 3) return all originals of the executed Contract and Agreement to Human Resources for distribution.

BACKGROUND: The County of Riverside Post Employment Program was approved by the Board on November 26, 2002, Agenda Item No. 3.39, with an effective date of December 1, 2002. This program, consisting of two accounts -- a Special Pay plan and a Health Savings plan -- requires that Management, Confidential, and Other Unrepresented employees retiring or terminating with at least five years service deposit their leave accruals (vacation, sick, annual leave, etc.) in these accounts on an interest-earning, tax-free or tax-deferred basis.

(continued on page 2)

Ronald W. Komers
Asst. County Executive Officer/
Human Resources Director

FINANCIAL DATA:

CURRENT YEAR COST: \$10,000 offset by **ANNUAL COST:** Savings to be determined
NET COUNTY COST: FICA Savings **IN CURRENT YEAR BUDGET:** YES
BUDGET ADJUSTMENT: NO **FOR FY:** 2002/03
SOURCE OF FUNDS: Current Human Resources Dept. Budget

C.E.O. RECOMMENDATION:

APPROVE

COUNTY EXECUTIVE OFFICER SIGNATURE

Policy
 Consent
 Policy

Department Recommendation:
Per Executive Office:

Prev. Agn. Ref.

Dist.

AGENDA NO.

**ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD**

3.30

BACKGROUND (continued)

The program is provided by VALIC, selected through an RFP process (one of the County's 457 retirement plan vendors). The Administrative Services Contract outlines the services being provided by Rehn and Associates, the third party administrator sub-contracted by VALIC, providing claims processing, eligibility administration and recordkeeping services. The Professional Services Agreement outlines the legal, compliance and consulting services being provided by VEBA Consulting Group, the Consultant selected by VALIC to coordinate with Rehn and Associates in operating and maintaining the Health Savings Plan. There are no new County costs associated with the recommended action.

The County has realized savings to date of almost \$143,000 in Social Security and Medicare taxes as of 4/30/03, as a result of the installation of the Post Employment Program.