

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

588



FROM: Human Resources Department

SUBMITTAL DATE:
August 2, 2004

SUBJECT: Actuarial Consulting Services Agreement with Gabriel, Roeder, Smith and Company for the 401(a) Retirement Plan for Part-Time and Temporary Employees.

RECOMMENDED MOTION: That the Board of Supervisors approve the agreement with Gabriel, Roeder, Smith and Company for an actuarial review and valuation of the 401(a) Retirement Plan for Part-Time and Temporary Employees as of June 30, 2003 and June 30, 2004.

BACKGROUND: The County of Riverside Part-Time and Temporary Employees' Retirement Plan was effective April 1, 1999, and was designed to comply with the requirement of the Omnibus Budget Reconciliation Act of 1990 to provide an alternative pension for certain governmental employees not covered by Social Security or another pension plan. It is designed to qualify under the safe harbor provided by that law, which is a defined benefit plan comparable in benefit structure to Social Security retirement benefits (consisting of a minimum of a life annuity beginning at age 65 equal to 2% of career earnings, immediately vested).

(continued on page 2)

Departmental Concurrence

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

FINANCIAL DATA

Current F.Y. Total Cost:	Not to exceed \$50,000	In Current Year Budget:	YES
Current F.Y. Net County Cost:	-0-	Budget Adjustment:	NO
Annual Net County Cost:	Not to exceed \$50,000	For Fiscal Year:	04-05

SOURCE OF FUNDS: Pension Trust Fund: 50000-1132100000-525440	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: **APPROVE**

County Executive Office Signature

- Dep't Recomm.: Consent
- Per Exec. Ofc.: Consent
- Policy
- Policy

Prev. Agn. Ref.: | **District:** | **Agenda Number:**

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

3.44

COUNTY OF RIVERSIDE
OFFICE EXECUTIVE

(Background Continued)

The retirement plan is self-administered by the County and funded by employee and employer contributions. A Request for Proposals was prepared and sent to ten actuarial firms, only one of whom submitted a bid. All other companies were contacted a second time, and each confirmed that they were declining the business. Based on these results, Gabriel, Roeder, Smith and Company, who worked with the County in creating the plan in 1999, was awarded the contract. The actuarial review will be based on generally accepted actuarial principles and practices. The objectives of the review are to determine if plan assets and contributions are sufficient for the County to provide prescribed benefits for plan years 2004-05 and 2005-06, based on data as of June 30, 2002 and June 30, 2004, respectively. The review is in compliance with recommendations in the management audit of the retirement plan dated January 1, 2002, to ensure the integrity and stability of the fund to meet its current and future obligations. The total amount of the agreement is not to exceed \$50,000 (not to exceed \$25,000 for each valuation listed above).