

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

144



FROM: Human Resources Department

SUBMITTAL DATE:
September 1, 2010

SUBJECT: Service Employees International Union (SEIU) National Industry Pension Fund (NIPF) Withdrawal Liability Payment

RECOMMENDED MOTION: That the Board of Supervisors approve Service Employees International Union (SEIU) National Industry Pension Fund (NIPF) Withdrawal Liability payments to be funded by County departments at \$.10 per hour for all hours worked by SEIU employees for the balance of Fiscal Year 2010/11.

BACKGROUND: On June 8, 2010, Item 3.40, the Board approved the Service Employee International Union (SEIU) Memorandum of Understanding (MOU) with the provision for the County to withdraw from the SEIU National Industry Pension Fund (NIPF). The withdrawal provision was ratified by SEIU members and Human Resources then requested an official withdrawal liability calculation from the SEIU NIPF, as required by their procedures.



Barbara A. Olivier
Asst. County Executive Officer/Human Resources Dir.

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 848,965	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 263,179 (estimated 31%)	Budget Adjustment:	No
	Annual Net County Cost:	\$315,815	For Fiscal Year:	2010/11

SOURCE OF FUNDS: Department Budgets	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: 
Karen L. Johnson

County Executive Office Signature

- Policy
- Policy
- Consent
- Consent

Dept's Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: June 8, 2010, 3.40 | **District:** ALL | **Agenda Number:**

3.25

Withdrawal from the SEIU National Industry Pension Fund

SEIU NIPF has since calculated a provisional gross withdrawal liability for the County of Riverside to be \$5,752,946. The net withdrawal liability is calculated based on NIPF information applicable to the County's withdrawals in 2009 and the Plan's unfunded vested liability as of 2008. When actuarial data for the 2010 plan year becomes available, SEIU NIPF will make the necessary calculations and advise us of the final amount of withdrawal liability.

At this time, the cost of the withdrawal can be paid in one of two ways: the provisional cost can be paid in a lump sum payment to SEIU NIPF, or it can be amortized with interest over a period of seven (7) years, paid in monthly installments of \$84,896 per month for 84 months.

In an effort to minimize the impact of the withdrawal to departments, Human Resources recommends the amortized payment option. The expected County contribution to the NIPF is \$0.10 per hour for all hours worked on behalf of Regular employees who were covered by the agreement.

Conclusion

If approved, contributions to SEIU NIPF will be funded by County departments each pay period to achieve the necessary obligations of the County's SEIU withdrawal liability. The departments would pay an estimated \$848,965 for the balance of Fiscal Year 2010/11 and an estimated \$1,018,758 for Fiscal Year 2011/12.

Human Resources will monitor actuarial data presented by the NIPF and as the withdrawal liability is finalized, will recommend additional rate adjustments to the Board for the future as necessary.