

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

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**FROM:** Human Resources Department

**SUBMITTAL DATE:**  
September 15, 2010

**SUBJECT:** Laborers' International Union of North America (LIUNA) National Industrial Pension Fund (NIPF) Withdrawal Liability Payment

**RECOMMENDED MOTION:** That the Board of Supervisors approve the Laborers' International Union of North America (LIUNA) National Industrial Pension Fund (NIPF) Withdrawal Liability payments to be funded by County departments at \$.12 per hour for all hours paid by LIUNA employees for the balance of Fiscal Year 2010/11.

**BACKGROUND:** On August 10, 2010, Item 3.48, the Board approved the Laborers' International Union of North America (LIUNA) Memorandum of Understanding (MOU) with the provision for the County to withdraw from the LIUNA National Industry Pension FUND (NIPF), effective August 12, 2010. The withdrawal provision was ratified by LIUNA members, and Human Resources then requested an official withdrawal liability calculation from the LIUNA NIPF, as required by their procedures.

Departmental Concurrence

*Barbara A. Olivier*

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Asst. County Executive Officer/HR Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$1,091,913	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$232,905 (estimated 21.3%)	Budget Adjustment:	N/A
	Annual Net County Cost:	\$1,455,884	For Fiscal Year:	2010/2011

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

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

**APPROVE**

BY: *Stephanie Persi*  
Stephanie Persi

**County Executive Office Signature**

- Dept Recomm.:  Consent
- Per Exec. Ofc.:  Consent
- Policy
- Policy

**Prev. Agn. Ref.:** \_\_\_\_\_ **District:** A11 **Agenda Number:** 3.53

**BACKGROUND continued:**

**Withdrawal from the LIUNA National Industry Pension Fund**

LIUNA NIPF has since calculated the provisional gross withdrawal liability for the County of Riverside to be \$6,930,038. The net withdrawal liability is calculated based on the Fund's unfunded liabilities as of December 31, 2008. When actuarial data for the 2010 plan year becomes available, LIUNA 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 LIUNA NIPF, or it can be amortized over the next six years with interest. LIUNA has provided the County an amortization schedule of 22 quarterly payments of \$363,971 plus a final payment of \$130,454.

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 \$0.12 per hour for all hours paid on behalf of Regular employees who were covered by the agreement. The \$0.12 per hour withdrawal liability cost will replace the current pension contribution rate of \$0.10 per hour.

**Conclusion**

If approved, contributions to LIUNA NIPF will be funded by County departments each pay period to achieve the necessary obligations to the County's LIUNA withdrawal liability. The departments would pay an estimated \$1,091,913 for the balance of Fiscal Year 2010/11 and an estimated \$1,455,884 for Fiscal year 2011/12.

Human Resources will monitor the actuarial data presented by the NIPF and, as conditions warrant, will recommend additional rate adjustments to the Board for the next six years.