

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

132



FROM: County Executive Office

SUBMITTAL DATE:
March 29, 2011

SUBJECT: PENSION REFORM – NEW EMPLOYEES

RECOMMENDED MOTION: That the Board approve, in concept, the following Pension Reforms:

1. Institution of a Tier II (lower benefit formula) plan for new employees immediately including:
 - A) 2% @ 60 plan for miscellaneous.
 - B) 2% @ 55 plan for safety.

2. Institution of a three-year final average earnings for new employees immediately, for:
 - A) Miscellaneous employees.
 - B) Safety employees.

3. Eliminate employer paid member contributions (EPMC) for all new employees immediately including:
 - A) Miscellaneous employees: 8% EPMC.
 - B) Safety employees: 9% EPMC.

4. Direct Human Resources to return with appropriate resolutions to approve this policy.

Departmental Concurrence

Continued on next page...

FINANCIAL DATA	Current F.Y. Total Cost:	\$	In Current Year Budget:
	Current F.Y. Net County Cost:	\$	Budget Adjustment:
	Annual Net County Cost:	\$	For Fiscal Year:

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

C.E.O. RECOMMENDATION: APPROVE

BY: Bill Luna
Bill Luna

County Executive Office Signature

- Policy
- Policy
- Consent
- Consent

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

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

2.0

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CLERK / BOARD OF SUPERVISORS
2011 MAR 30 AM 10:04

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RE: **PENSION REFORM – NEW EMPLOYEES**

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BACKGROUND: The Board has received extensive and comprehensive reports from its consultants on Pension Reform. Clearly, given the severe budget distress the County is presently experiencing, as well as the need to realign revenues with future growth expectations, reform is in order.

The motions presented will provide immediate cost savings through the EPMC shift as well as long-term savings through institution of a Tier II pension.

The 2% @ 60 plan is the benchmark for the reform of the miscellaneous plan, the 2% @ 55 yields the greatest savings for the safety plan.

Recommendations will be forthcoming for pension reform for current employees.

