

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

630



FROM: Human Resources Department


SUBMITTAL DATE:
October 20, 2011

SUBJECT: Reduction of Employer Paid Member Contributions for Management Confidential, and Other Unrepresented Employees

RECOMMENDED MOTION: That the Board of Supervisors approve a reduction in Employer Paid Member Contributions (EPMC) for Management, Confidential, and Other Unrepresented Employees effective at such time as a newly negotiated or implemented reduction of EPMC takes effect for employees represented by a County recognized union after this date, and reduced at the same rate of earnable compensation.

BACKGROUND: The Human Resources Department recommends this action to maintain a consistent compensation practice and to equitably share Pension Reform and pay practice changes for represented and unrepresented employees.

Departmental Concurrence



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

FINANCIAL DATA	Current F.Y. Total Cost:	\$ -1,750,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ -875,000	Budget Adjustment:	No
	Annual Net County Cost:	\$ -3,000,000	For Fiscal Year:	2011/12

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

C.E.O. RECOMMENDATION: APPROVE

BY: 
Elizabeth J. Olson

County Executive Office Signature

- Consent
- Policy
- Consent
- Policy

Dep't Recomm.:
Per Exec. Ofc.:

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

3.21

BACKGROUND continued:

Since July 2, 1998 the County has elected to pay EPMC the employee share of the PERS contribution, for Management, Confidential, and Other Unrepresented employees. The EPMC is now equal to 8% of earnable compensation for eligible Miscellaneous employees and 9% of earnable compensation for eligible Safety employees. EPMC is reported to PERS as employee compensation for the purpose of pension benefit calculation. This recommended action, when it becomes effective will reduce EPMC; employees will be required to pay the remaining contributions on a pre-tax basis.

The recommended action is a significant step towards Pension Reform approved in concept by the Board on March 29, 2011 and again affirmed on October 4, 2011. A reduction in EPMC will result in an immediate and meaningful reduction of County cost. Bartel Associates, LLC in their April 2011 Pension Reform analysis estimated a \$59 million first year savings if EPMC was eliminated for all employees. The Human Resources Department estimates that a 3% reduction in EPMC for Management, Confidential, and Other Unrepresented employees will result in \$6 million for the first full year (12 months) of savings.

A reduction of EPMC for represented employees can be implemented through the collective bargaining process, including possible "reopeners" for those unions with unexpired contracts. Human Resources is actively negotiating or, when applicable, seeking to meet and confer with unions representing County employees. The approval of this action will reinforce the County's commitment to leading the effort to Pension Reform and reaching the County's budget targets.