



Item #17-5-2

Government Relations & Public Affairs Committee Consent

May 1, 2017

Reporting and Paying the Value of Employer Paid Member Contributions for FY 2017/18

Issue: Should the Board approve a resolution for reporting and paying the value of CalPERS employer-paid member contributions (EPMC) for FY 2017-18?

Recommendation: That the Government Relations & Public Affairs Committee recommend that the Board approve the resolution for reporting and paying the value of EPMC for FY 2017-18, for retirement tiers I and II.

Discussion: In January 2007, SACOG began a new contract with CalPERS with SACOG paying 7 percent EPMC and employees paying 1 percent. In July 2008, SACOG began reducing EPMC over time.

Effective July 1, 2017, per the Memorandum of Understanding (MOU) with the SACOG Employees Association, SACOG's employer-paid member contributions will be reduced to 1.10 percent for both Tier I and Tier II employees, and 0 percent for PEPRA Tier Employees.

This resolution is an administrative implementation of the MOU. SACOG is required to adopt a resolution or ordinance when the EPMC rate changes pursuant to California Code of Regulations Section 571(a)(1). The attached resolution fulfills the regulatory requirement.

Approved by:

James Corless
Chief Executive Officer

JC:EJ:ts
Attachment

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SACRAMENTO AREA COUNCIL OF GOVERNMENTS

RESOLUTION NO. xx - 2017

**RESOLUTION FOR PAYING AND REPORTING THE
VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS**

WHEREAS, the governing body of the Sacramento Area Council of Governments (SACOG) has the authority to implement Government Code Section 20636(c)(4) pursuant to Section 20691; and

WHEREAS, the governing body of SACOG has a written labor policy of agreement which specifically provides for the normal member contributions to be paid by the employer and reported as additional compensation; and

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption of the governing body of SACOG of a Resolution to continue paying and reporting the value of said Employer Paid Member Contributions (EPMC); and

WHEREAS, the governing body of SACOG has identified the following conditions for the purpose of its election to pay EPMC:

TIER I:

- This benefit shall apply to all employees hired prior to November 1, 2011.
- This benefit shall consist of paying 1.10 percent of the normal contributions as EPMC, and reporting the same percent of compensation earnable (excluding Government Code Section 20636(c)(4)) as additional compensation.

TIER II:

- This benefit shall apply to all employees hired on or after November 1, 2011 who are classic employees and does not include PEPRA tier employees.
- This benefit shall consist of paying 1.10 percent of the normal contributions as EPMC, and reporting the same percent of compensation earnable (excluding Government Code Section 20636(c)(4)) as additional compensation.

PEPRA TIER:

- This benefit shall apply to all PEPRA Tier employees hired on or after Jan 1, 2013.
- This benefit shall consist of paying zero percent of the normal contributions as EPMC. SACOG will not report the EPMC as compensation earnable.

NOW, THEREFORE, BE IT RESOLVED, that the governing body of SACOG elects to pay and report the value of EPMC, as set forth above effective July 1, 2017.

PASSED AND ADOPTED, this 18th day of May 2017, by the following vote of the Board of Directors:

AYES:

NOES:

ABSTAIN:

ABSENT:

Brian Veerkamp
Chair

James Corless
Chief Executive Officer