



**Item #16-6-7
Consent**

SACOG Board of Directors

June 9, 2016

Approve Reporting and Paying the Value of Employer Paid Member Contributions for FY 2016/17

Issue: Should the Board approve a resolution for reporting and paying the value of CalPERS employer-paid member contributions (EPMC) for FY 2016-17?

Recommendation: The Government Relations & Public Affairs Committee recommends that the Board approve the resolution for reporting and paying the value of EPMC for FY 2015-16, for retirement tiers I and II and paying, but not reporting the value of, EPMC for the PEPRAs tier.

Committee Action/Discussion: During the development of the FY 2010-11 budgets, the SACOG Employees Association agreed to a number of cost-saving measures to address the financial challenges facing SACOG. One of the cost-saving measures was an agreement to absorb increased CalPERS EPMC costs.

On September 12, 2012 the Governor signed the Public Employees' Pension Reform Act of 2013 (PEPRA). The PEPRA tier includes those employees hired on or after January 1, 2013 who have no prior membership in any California public retirement system and are not eligible for reciprocity with another California public retirement system or a new hire that has a break in service greater than six months from a PERS agency.

Under the amended Memorandum of Understanding (MOU) with the SACOG Employees Association, employees are required to pay 100 percent of the annual increase in SACOG's employer contributions to CalPERS up to the capped amount of 1 percent (the annual increase is 3.571%). Effective July 1, 2016, SACOG's employer-paid member contributions will be reduced to 2.10 percent for Tier I employees and 1.10 percent for Tier II employees, and 0.60 percent for PEPRA Tier Employees.

Pursuant to California Code of Regulations section 571(a)(1), SACOG is required to adopt a resolution or ordinance when the EPMC rate changes. The attached resolution fulfills the regulatory requirement.

Approved by:

Mike McKeever
Chief Executive Officer

MM:SN:ts
Attachment

Key Staff: Kirk Trost, Chief Operating Officer/General Counsel, (916) 340-6210
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SACRAMENTO AREA COUNCIL OF GOVERNMENTS

RESOLUTION NO. 38 - 2016

**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 2.10 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 0.60 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, 2016.

PASSED AND ADOPTED, this 16th day of June 2016, by the following vote of the Board of Directors:

AYES:

NOES:

ABSTAIN:

ABSENT:

Susan Rohan
Chair

Mike McKeever
Chief Executive Officer