Board Inquiry Form

Board Member	
Carbajal	
Wolf	
Farr	
Gray	
Centeno	x

Department: **CEO/Human Resources** Date**: May 26, 2009**

Budget Pages(s): A-6

Request/Question:

1. What is the feasibility of negotiating retirement changes for new hires to lower the benefit and thereby ultimately lower the rates to the employer from the system?

2. When employees are laid off for some period and then come back and the new system was installed while they were gone, would they be subject to the new or old benefits?

Report Back by:

Response:

1. Any reforms to the pension benefit for the current or future workforce must be achieved through the collective bargaining process, and some changes might potentially require legislative changes to retirement laws. The County's labor organizations have already entered into agreements with the County to discuss pension reforms, including changes to the pension benefit for the future workforce. CEO/Human Resources has had preliminary discussions with the labor organizations on this subject. If successful, the change would significantly lower employer rates in the long-term, but would not have an immediate impact on the employer contribution rate.

2. There are no statutes, regulations, or Civil Service rules that would prohibit the County from applying the new (lesser) pension benefit to employees who are re-hired after being laid off. The design of the restructured benefit would, however, be subject to the collective bargaining process, and would need to be implemented via a Board Resolution. There would also need to be coordination with the Retirement System.