

FY 2017-19 Budget Hearings Board Inquiry Form

Board Member	
Williams	
Wolf	
Hartmann	
Adam	
Lavagnino	X

Inquiry Number: 30

Department: CEO

Date: 6/5/17

Page(s) of Budget Book/PowerPoint: B-3

Request/Question:

Explain how the pension system accounts for losses attributable to Non-GF employees. Are there losses that are covered by Feds or State?

The County is considered a single employer within SBCERS for purposes of calculating the annual retirement contribution rates to cover both the Normal Cost and amortization of the unfunded actuarial accrued liability (UAAL). The County of Santa Barbara is the largest of the eleven Participating Employers within the SBCERS system, accounting for approximately 92.78% of the system's costs/liabilities.

Although the annual actuarial study performed on behalf of SBCERS quantifies value of benefits expected to be paid by the system at the individual member (General Fund employees and non-General Fund employees) level, all other liabilities (investment gains/losses, changes in assumptions, etc.) are cumulated at the employer level and spread evenly to all active members by plan/class (safety members, general members). Therefore, General Fund and non-General fund departments, including those reimbursed largely by State and federal dollars, are charged annually for their proportional share of both the normal and UAAL costs based on the number of filled positions within their department.