

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: CEO-Risk Management Division

BOARD AGENDA # \*B-2

Urgent

Routine

AGENDA DATE June 08, 2010

CEO Concurs with Recommendation YES  NO

(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval to Amend the Part-Time, Seasonal, Temporary Employees' Alternate Retirement System (ARS) Guidelines

STAFF RECOMMENDATIONS:

Approve an amendment to the Part-Time, Seasonal, Temporary Employees' Alternate Retirement System (ARS) Guidelines.

FISCAL IMPACT:

There is no Fiscal Impact to the County regarding the amendment to the Guidelines. The amended Guidelines will reduce the wait time from 250 consecutive calendar days to 60 consecutive calendar days for employees who terminate from employment with the County and who request a rollover of funds or early withdrawal.

BOARD ACTION AS FOLLOWS:

No. 2010-345

On motion of Supervisor DeMartini, Seconded by Supervisor Monteith and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Grover

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1)  Approved as recommended

2)  Denied

3)  Approved as amended

4)  Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

## Approval to amend the Part-Time, Seasonal, Temporary Employee's Alternative Retirement System (ARS) Guidelines

### DISCUSSION:

The County of Stanislaus is a member of the Public Agency Retirement System (PARS) a governmental trust, for the purpose of providing tax qualified retirement benefits for part time, seasonal and temporary employees. The agency has made available the PARS Alternative Retirement System (ARS) qualifying under relevant sections of the Internal Revenue Code and the California Government Code. The agency is a member of the PARS Trust.

In 1995 the Board of Supervisors appointed Tom Watson, then Treasurer/Tax Collector, as the PARS Local Plan Administrator. On April 20, 2004, the Board of Supervisors took action to change the Local Plan Administrator to David L. Dolanar, Deputy Executive Officer in the Chief Executive Office - Risk Management Division. This was done to improve government efficiency and customer service bringing all County employees' benefits under the oversight of one County Division. Union Bank is the current Stanislaus County PARS Trustee for its Alternative Retirement System (ARS).

Recently meetings have been held with PARS representatives Mitch Barker, Executive Vice President and Faith Herman, Client Services Coordinator to review the plan and determine if any changes were warranted.

There are two major changes in the Guidelines that are recommended. The first is under Employment Termination (other than permanent disability, death, retirement). The second is under Administration of the Plan. The Guidelines also reflect any changes associated with the reduction from 250 wait days to 60 wait days.

#### 1. Employment Termination

Under the Alternate Retirement System (ARS) Guidelines, there is currently a provision that requires a wait period of 250 consecutive calendar days for any participant who terminates from employment with the County and requests a rollover of funds or early withdrawal. Further review of this 250 day wait period indicates that it is too long, particularly in view of potential layoffs of part time employees who would likely want their distribution in a shorter time period. The PARS representatives indicated they would be able to distribute funds to participants in a shorter time period of 60 calendar days.

This change was reviewed by the Chief Executive Officer, CEO-HR and CEO-Finance and Operations who concurred with reducing the wait period from 250 to 60 days. This will allow part time employees, subject to layoff, to withdrawal their funds for personal use during the current economic climate. If part time employees withdraw their funds, and later are rehired as part time employees, they are still eligible to once again participate in the Alternate Retirement System (ARS). If the 60 day period has not lapsed, and an employee is rehired within

## Approval to Amend the Part-Time, Seasonal, Temporary Employees' Alternate Retirement System (ARS) Guidelines

that time period, no distribution will be made. They will continue to contribute 5.5 percent of their earnings, along with the County's contribution of 2 percent, to their account.

### 2. Administration of the Plan

A second provision of the Guidelines should be changed to reflect that the Deputy Executive Officer in the CEO-Risk Management Division shall act as Plan Administrator for the County instead of the County Treasurer/Tax Collector (Pursuant to Board action on April 20, 2004). All other provisions in the Guidelines are current and require no change.

Attached are copies of a red lined version of the changes in the Guidelines and a corrected version.

It is therefore recommended that the Board of Supervisors amend the attached Alternate Retirement System (PARS) Guidelines to reflect the changes discussed above.

#### POLICY ISSUES:

The Board of Supervisors should consider the recommended action for approval. This action supports the Board's priority of efficient delivery of public services.

#### STAFFING IMPACT:

There is no staffing impact associated with the recommended action.

#### CONTACT PERSON:

David L. Dolenar, Deputy Executive Officer, Telephone: 525-5714

COUNTY OF STANISLAUS  
PART-TIME, SEASONAL, TEMPORARY EMPLOYEES'  
ALTERNATE RETIREMENT SYSTEM (ARS)  
GUIDELINES

PURPOSE

To provide part-time, seasonal and temporary (PST) employees with an alternate retirement system (ARS) in lieu of Social Security in accordance with Internal Revenue Code (IRC) sections 3121 (b) (7) (f) and 401 (a).

GOVERNING LAW

IRC sections 3121 (b) (7) (f) and 401 (a)  
Applicable California State Law  
Local documents evidencing and affirming plan tenets as herein described

PARTICIPATION IN THE PLAN

A Stanislaus County employee shall participate in this ARS if the compensable service is not covered for retirement benefits by the Stanislaus County Employees' Retirement Association pursuant to the County Employees' Retirement Law of 1937 ("1937 Act"). Participation begins with the first day of compensable service. ~~Employees receiving wages within a 250 consecutive calendar span of time will be considered active.~~

CONTRIBUTIONS

Stanislaus County shall make employer contributions equal to 2% of PST employee compensation. PST employees shall have deducted 5.5% of compensation from their wages.

VESTING

Participant and employer contributions shall be 100% vested with the PST employees at all times.

EMPLOYMENT TERMINATION (Other than permanent disability, death, retirement)

Any participant who ceases to contribute for any reason other permanent disability, death or the attainment of normal retirement age (age 60) for a period of ~~250~~ 60 consecutive calendar days and is considered terminated from employment with the County shall be deemed to have terminated and may request a rollover of funds or early withdrawal. EMPLOYEES MUST BE GIVEN NOTICE OF THE NATURE OF THEIR CONTRIBUTIONS AS RETIREMENT FUNDS AND NOT AS A TRANSITORY SAVINGS PLAN. ~~Specifically, employees must be informed that the ARS funds will not be distributed until ONE YEAR following the employees' termination.~~

### ADMINISTRATION OF THE PLAN

The County ~~Treasurer/Tax Collector~~ Deputy Executive Officer in the CEO-Risk Management Division shall act as Plan Administrator for the County. Day to day administration shall be conducted by the Public Agency Retirement System (PARS). The Plan Administrator has the authority to enter into agreements on behalf of the County for the administration of the ARS, for custodial/trustee agreements for funds and for investments under the ARS plan.

### NORMAL DISTRIBUTION OF BENEFITS

ARS Plan participants or beneficiaries may receive a normal distribution by annuity (if account balance is greater than \$3,500) or lump sum following any one of the below events:

1. Normal retirement (Age 60)
2. Permanent Disability
3. Death

Upon receipt of an annuity, if a retired PST employees dies, the written beneficiary will receive any remaining guaranteed payments.

### EMERGENCY WITHDRAWALS PROHIBITION

Because these funds are considered retirement savings in lieu of Social Security benefits, no in-service withdrawals can be made.

### AMENDMENT OR TERMINATION OF PLAN

This Plan shall continue until modified or terminated by the Board of Supervisors.

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CONTRIBUTIONS

Stanislaus County shall make employer contributions equal to 2% of PST employee compensation. PST employees shall have deducted 5.5% of compensation from their wages.

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EMPLOYMENT TERMINATION (Other than permanent disability, death, retirement)

Any participant who ceases to contribute for any reason other permanent disability, death or the attainment of normal retirement age (age 60) for a period of 60 consecutive calendar days and is considered terminated from employment with the County shall be deemed to have terminated and may request a rollover of funds or early withdrawal. EMPLOYEES MUST BE GIVEN NOTICE OF THE NATURE OF THEIR CONTRIBUTIONS AS RETIREMENT FUNDS AND NOT AS A TRANSITORY SAVINGS PLAN.

### ADMINISTRATION OF THE PLAN

The County Deputy Executive Officer in the CEO-Risk Management Division shall act as Plan Administrator for the County. Day to day administration shall be conducted by the Public Agency Retirement System (PARS). The Plan Administrator has the authority to enter into agreements on behalf of the County for the administration of the ARS, for custodial/trustee agreements for funds and for investments under the ARS plan.

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