



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

Department Name: Auditor-Controller  
Department No.: 061  
For Agenda Of: June 5, 2018  
Placement: Administrative  
Estimated Time:  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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**TO:** Board of Supervisors

**FROM:** Department Theodore A. Fallati, CPA CPFO x2100  
Director(s)  
Contact Info: Theodore A. Fallati, CPA CPFO x2100

**SUBJECT: First Amendment to the Santa Barbara County Replacement Benefits Plan**

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: CEO

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors (Board):

- a. Adopt, ratify and approve the First Amendment to the Santa Barbara County Replacement Benefits Plan (“Plan”); and
- b. Determine pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(4) that the above action is a government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and therefore is not a project subject to environmental review.

**Summary Text:** This amendment will update the County’s Retirement Replacement Benefits Plan to comply with the Public Pension Reform Act of 2013 (PEPRA) by closing the Plan to new members first hired after December 31, 2012. (Attachment A)

**Background:** On September 21, 2004 the Board of Supervisors adopted a Replacement Benefits Plan that pays SBCERS members the amount of their formula calculated retirement benefit above the Internal Revenue Code Section 415(b) limit, which was allowed by the County Employees Retirement Law at that time. (Attachment B)

This action will comply with Section 7522.43 of California Government Code, which changed the law to state:

(a) A public employer shall not offer a plan of replacement benefits for members and any survivors or beneficiaries whose retirement benefits are limited by Section 415 of Title 26 of the United States Code. This section shall apply to new members.

(b) A public retirement system may continue to administer a plan of replacement benefits for employees first hired prior to January 1, 2013.

(c) A public employer that does not offer a plan of replacement benefits prior to January 1, 2013, shall not offer such a plan for any employee on or after January 1, 2013.

(d) A public employer that offers a plan of replacement benefits prior to January 1, 2013, shall not offer such a plan to any additional employee group to which the plan was not provided prior to January 1, 2013.

No retirees have received benefits under the Plan in violation of Gov. Code Section 7522.43(a).

**Fiscal and Facilities Impacts:**

Budgeted: Yes

There are currently five participants in the Plan and the average annual benefit paid to the combined participants over the last five fiscal years is approximately \$47,700.

**Special Instructions:** Return a copy of signed First Amendment to Theodore Fallati, Auditor-Controller

**Attachments:**

Attachment A – First Amendment to the Santa Barbara County Replacement Benefits Plan

Attachment B – September 21, 2004 Board Letter, Resolution 04-257 and Replacement Benefits Plan

**Authored by:**

Theodore Fallati, CPA CPFO

**cc:**

Jeff Frapwell, ACEO

Anne Rierson, Deputy County Counsel

Greg Levin, SBCERS