



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: CEO
Department No.: 012
For Agenda Of: December 11, 2018
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s) Mona Miyasato, County Executive Officer
Contact Info: Jeff Frapwell, Assistant County Executive Officer

SUBJECT: **Amendment to Regulations Governing Payment of Retiree Health Benefits from a 401(h) Account**

County Counsel Concurrence

As to form: Yes

Other Concurrence:

As to form: N/A

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the Chair to execute the Fourth Amendment to the Regulations Governing Payment of Retiree Health Benefits from a 401(h) Account (Attachment A);
- b) Determine that the above action is not a project under the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(5) of the CEQA Guidelines, because the action consists of an administrative activity of government that will not result in direct or indirect physical changes in the environment.

Summary Text:

The Fourth Amendment to the Regulations Governing Payment of Retiree Health Benefits closes participation in the 401(h) Account for new employees of the other Participating Employers (certain special districts and courts) effective December 31, 2018. The Fourth Amendment also documents existing benefits of Disability Retirees.

Background:

The County maintains an Other Post-Employment Benefits (OPEB) plan that provides a health benefit to eligible retirees. In 2008 the County adopted the 401(h) regulations and entered into an agreement with the Santa Barbara County Employees' Retirement System (SBCERS) to administer the plan. The 401(h) Plan has already been closed to new employees of the County. The Fourth Amendment to the Regulations Governing Payment of Retiree Health Benefits closes participation in the 401(h) Account for new employees of the other Participating Employers (certain special districts and courts) effective December 31, 2018. On March 20, 2018, your Board authorized staff to notify the other Participating Employers of the County's intent to take this action, and the County notified the other Participating Employers in May 2018. If the County did not close the plan to the other Participating Employers, then the County, as the plan sponsor, would be left maintaining the plan for non-County employees at some point in the future when all eligible County employees stop receiving the benefit. The Fourth Amendment also documents existing benefits of Disability Retirees who receive a monthly allowance equal to the greater of \$15 x years of credited service or \$187.

Fiscal and Facilities Impacts:

Budgeted: N/A

Fiscal Analysis:

No current fiscal impact as a result of these actions.

Key Contract Risks:

N/A

Staffing Impacts:

N/A

Special Instructions:

None

Attachments:

Attachment A: Fourth Amendment to Regulations

Authored by: Jeff Frapwell

cc: Michael C. Ghizzoni, County Counsel
Theo Fallati, Auditor-Controller
Gregory Levin, SBCERS CEO