RESOLUTION OF THE BOARD OF SUPERVISORS COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA

IN THE MATTER OF APPROVING A COUNTY	
OF SANTA BARBARA OTHER POST-	RESOLUTION NO.
EMPLOYMENT BENEFITS (401(h) ACCOUNT)	
FUNDING POLICY REVISION \(\frac{1}{2}\)	

WHEREAS, the Santa Barbara County Board of Supervisors adopted a resolution establishing a Post-Employment Benefit Trust Account (the "401(h) Account") and adopted regulations for the 401(h) Account on September 16, 2008, which were subsequently amended; and

WHEREAS, the Santa Barbara County Board of Supervisors adopted a resolution establishing a Post-Employment Benefit Trust Account (the "401(h) Account") Funding Policy equal to 4% of total pensionable payroll for all County employees participating in the SBCERS 401(a) pension plan on March 1, 2016; and

WHEREAS, the County's strict adherence to this policy and greater than assumed investment gains has led to the County's OPEB liability being estimated to be fully funded by 2027, 7 years ahead of the original funding policy's projected date of 2034; and

WHEREAS, this accelerated success of the funding plan presents an opportunity for the County to adjust its contribution rate to better align with the original target date of 2034, while decreasing ongoing costs to County Departments and partially mitigating current budgetary challenges; and

NOW, THEREFORE, BE IT HEREBY ORDERED AND RESOLVED that the Board of Supervisors of the County of Santa Barbara does hereby approve a County of Santa Barbara Other Post-Employment Benefits (401(h) Account) Funding Policy Revision, and in compliance with the revised Funding Policy, does hereby reduce the OPEB contribution rate provided for by the County to 1.5% of total pensionable payroll effective January 1, 2026.

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PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, this day of, 2025.	
AYES:	
NOS:	
ABSTAIN:	
ABSENT:	
ATTEST: MONA MIYASATO COUNTY EXECUTIVE OFFICER CLERK OF THE BOARD	
By: Deputy Clerk of the Board	LAURA CAPPS, CHAIR BOARD OF SUPERVISORS
APPROVED AS TO FORM:	APPROVED AS TO ACCOUNTING FORM:
RACHEL VAN MULLEM COUNTY COUNSEL	BETSY SCHAFFER AUDITOR-CONTROLLER
By: Signed by: Limit Killing ARZEGGROUSSEE ADDO	By: Signed by: A99ED5RD71D04ER Deputy Auditor-Controller

County of Santa Barbara

Policies and Procedures

Other Post-Employment Benefits (401(h) Account) Funding Policy

Adopted by the Santa Barbara County Board of Supervisors

Effective – January 2026

Purpose:

The purpose of this policy is to provide for stable long-term funding of the County's Other Post-Employment Benefit Plan (the "Plan"). The Plan is governed by Regulations Governing Payment of Retiree Health Benefits from a 401(h) Account adopted by the County Board of Supervisors in September 2008, as amended (the "Regulations"). This policy is adopted pursuant to Section 4.02 of the Regulations.

Policy Objectives:

- 1. The principal goal of this policy is to ensure that future contributions and current Plan assets are sufficient to provide for all benefits expected to be paid to members and their beneficiaries.
- 2. This policy seeks to fund not only current Plan obligations but to progressively fund long term liabilities of the Plan and achieve full funding by 2034. In doing so, this policy seeks to fund liabilities as they accrue rather than leaving such funding for future generations.
- 3. This policy seeks to manage and control future contribution volatility to the extent reasonably possible, consistent with other policy goals.

Policy Provisions:

The County will provide minimum annual contributions to the Plan at a level equivalent to 1.5% of total pensionable payroll for all County employees participating in the Santa Barbara County Employees' Retirement System (SBCERS) 401(a) pension plan. It is expected, based on County analysis of recent projections by the SBCERS actuary, that contributions at this rate will meet or exceed the amount necessary to provide sufficient assets to support future benefits by the year 2034, if plan assumptions are met. Such funding level is subject to reconsideration and adjustment based on extraordinary investment gains or losses or other material changes in circumstances. Expenditures pursuant to this policy shall be subject to Board of Supervisors appropriation annually. Nothing in this policy is intended to create vested rights to Plan benefits or to modify or limit the authority of the Board of Supervisors pursuant to the Regulations, including without limitation Article III or Article XI of the Regulations.