

BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA BARBARA

A RESOLUTION APPROVING A
COUNTY OF SANTA BARBARA
OTHER POST-EMPLOYMENT
BENEFITS (401(h) ACCOUNT)
FUNDING POLICY

Resolution No. _____

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, Government Code Section 31694 provides that the Board of Supervisors may provide for County contributions to the 401(h) Account; and

WHEREAS, the Governmental Accounting Standards Board ("GASB") published Statement Number 75: Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for fiscal years beginning after June 15, 2017; and

WHEREAS, GASB Statement Number 75 will significantly modify accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB), including the 401(h) Account; and

WHEREAS, in anticipation of GASB Statement No. 75 requirements, the Board of Supervisors seeks to formally state its funding policy for the 401(h) Account, both to provide for a long term plan for the funding of the account and to assist in administration and required disclosures regarding the Account.

IT IS HEREBY RESOLVED by the Board of Supervisors of the County of Santa Barbara as follows:

- 1) This Board of Supervisors approves the attached Other Post-Employment Benefits (401(h) Account) Funding Policy; and
- 2) Nothing in this Resolution or the Funding 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 plan regulations.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this _____ day of _____, 2016, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

PETER ADAM
CHAIR, BOARD OF SUPERVISORS

ATTEST:


MONA MIYASATO
COUNTY EXECUTIVE OFFICER
CLERK OF THE BOARD

By: _____
Deputy

APPROVED AS TO FORM:
MICHAEL C. GHIZZONI
COUNTY COUNSEL

By: 
Deputy County Counsel

APPROVED AS TO ACCOUNTING FORM
ROBERT W. GEIS, CPA
AUDITOR-CONTROLLER

By: 

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– March 2016

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 over a 19 year period. 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 4% of total pensionable payroll for all County employees participating in the SBCERS 401(a) pension plan. It is expected, based on current projections of the SBCERS actuary that contributions at this rate over a 19 year period will meet or exceed the amount necessary to provide sufficient assets to support future benefits 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.