Retirement System Review

Retirement Plan Changes
Adopted by the Board of Supervisors
on December 4, 2018

Effective for new employees hired on or after July 1, 2019
Adopted Changes for New Hires

Effective for new employees hired on or after July 1, 2019

- Estimated General Fund savings of approximately $6.6 million when fully implemented based on current payroll
  - Eliminate Pre-Social Security Supplement (ERS/URS)
  - Eliminate 3% Formula Increase (All)

- Adoption summary:
  - Eliminate Pre-Social Security Supplement
  - Eliminate 3% Formula Increase (All)

- Reduction in Employer Normal Cost:
  - Normal Cost decreases by 11.8% (From 7.70% to 6.79% of pay)
  - Normal Cost decreases by 9.4% (From 16.12% to 14.61% of pay)
  - Normal Cost decreases by 3.6% (From 17.98% to 17.33% of pay)

- Estimated General Fund savings of approximately $6.6 million when fully implemented based on current payroll.
### Employees’ Retirement System

#### Average Age Hire

#### Projected Retirement Benefit Based on Average New Hire

<table>
<thead>
<tr>
<th>Retirement Income Replacement (1&lt;sup&gt;st&lt;/sup&gt; Year)</th>
<th>Current</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Benefit</td>
<td>48.7%</td>
<td>47.3%</td>
</tr>
<tr>
<td>Pre-SS Benefit</td>
<td>24.4%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>73.1%</strong></td>
<td><strong>47.3%</strong></td>
</tr>
</tbody>
</table>

| Earliest Retirement Age | 61.5 | 61.5 |
| Minimum Years of Service | 23.5 | 23.5 |

- New Hire in 2039 at Age 38, Hired at 24% of Scale
- Assume S-21 with no promotions
- Retiring at earliest age for unreduced benefits
- Does not include pension-eligible stipends or extra pay
- Assumes 1.5% Market Rate Adjustments and full funding of pay plan each year
- Assumes 1.5% annual County retiree COLA
- Assumes 1.0% annual COLA for Social Security

- Eliminate Pre-Social Security Supplement
- Eliminate 3% Formula Increase

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**Changes Adopted on December 4, 2018**

**Retirement System Review**
Uniformed Retirement System

Average Age Hire

Projected Retirement Benefit Based on Average New Hire

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<th>Retirement Income Replacement (1st Year)</th>
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<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Benefit</td>
<td>63.4%</td>
<td>61.6%</td>
</tr>
<tr>
<td>Pre-SS Benefit</td>
<td>7.6%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total</td>
<td>71.0%</td>
<td>61.6%</td>
</tr>
</tbody>
</table>

Earliest Retirement Age: 54
Minimum Years of Service: 25

Changes Adopted on December 4, 2018
Police Officers Retirement System

Average Age Hire

Changes Adopted on December 4, 2018

Projected Retirement Benefit Based on Average New Hire

- New Hire in 2028 at Age 27, Hired at Step 1
- Assume O-17 with no promotions
- Retiring at earliest age for unreduced benefits
- Does not include pension-eligible stipends or extra pay
- Estimates Social Security benefit at 30% of Final Average Salary
- Assumes 1.5% Market Rate Adjustments and full funding of pay plan each year
- Assumes 1.5% annual County retiree COLA
- Assumes 1.0% annual COLA for Social Security

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<th>Retirement Income Replacement (1st Year)</th>
<th>Current</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>71.0%</td>
<td>69.0%</td>
<td></td>
</tr>
</tbody>
</table>

| Earliest Retirement Age | 52      | 52      |
| Minimum Years of Service | 25    | 25      |