

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Pension Trust		(2) MEETING DATE 05-23-2006		(3) CONTACT/PHONE Tony Petruzzi/781-5465	
(4) SUBJECT A Resolution Adding Section 2.12.5 Military Service Credit – Purchase of Prior Service to the San Luis Obispo County Employees' Retirement Plan.					
(5) SUMMARY OF REQUEST The provision will permit Safety Members employed in bargaining units 03 or 14 and Miscellaneous Members employed in bargaining units 21 or 22 to purchase up to four years of Military Service Credit. Under this provision the employee will bear the entire cost of the purchase.					
(6) RECOMMENDED ACTION It is recommended that your Board approve the attached Resolution					
(7) FUNDING SOURCE(S) N/A		(8) CURRENT YEAR COST N/A		(9) ANNUAL COST N/A	
(10) BUDGETED? <input type="checkbox"/> YES <input type="checkbox"/> N/A <input type="checkbox"/> NO					
(11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST): The Auditor Controller's office will make necessary payroll deductions from employees pay checks in a manner similar to that which is currently done for other service credit purchases.					
(12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, How Many? _____ <input type="checkbox"/> Permanent _____ <input type="checkbox"/> Limited Term _____ <input type="checkbox"/> Contract _____ <input type="checkbox"/> Temporary Help _____					
(13) SUPERVISOR DISTRICT(S) 1st, 2nd, 3rd, 4th, 5th, <u>All</u>			(14) LOCATION MAP <input type="checkbox"/> Attached <u>N/A</u>		
(15) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Presentation <input type="checkbox"/> Board Business (Time Est. _____)			(16) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions (Orig + 4 copies) <input type="checkbox"/> Contracts (Orig + 4 copies) <input type="checkbox"/> Ordinances (Orig + 4 copies) <input type="checkbox"/> N/A		
(17) NEED EXTRA EXECUTED COPIES? <input type="checkbox"/> Number: _____ <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A			(18) APPROPRIATION TRANSFER REQUIRED? <input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A		

(19) ADMINISTRATIVE OFFICE REVIEW  <div style="text-align: right; font-size: 2em; font-family: cursive;">           OK            G. Wilcox            B-15            5-23-06         </div>
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**Board of Trustees  
San Luis Obispo County Pension Trust**

1000 Mill Street  
San Luis Obispo, CA 93408

TO: The Board of Supervisors  
County of San Luis Obispo

FROM: Tony Petrucci   
Pension Trust Executive Secretary

DATE: May 23, 2006

SUBJECT: **A Resolution Adding Section 2.12.5 Military Service Credit – Purchase of Prior Service to the San Luis Obispo County Employees' Retirement Plan.**

Recommendation:

It is recommended that your Board approve the attached resolution which action will add Section 2.12.5 Military Service Credit – Purchase of Prior Service to the Retirement Plan.

Discussion:

This Plan Amendment is a result of recently concluded collective bargaining sessions between the County and the Deputy Sheriff's Association. The provision will permit Safety Members employed in bargaining units 03 or 14 and Miscellaneous Members employed in bargaining units 21 or 22 to purchase up to four years of Military Service Credit. Under this provision the employee will bear the entire cost of the purchase. The cost of each year of service will be actuarially determined and will incorporate the current actuarial assumptions.

Purchases may be made by lump sum or by installments but must be completed prior to retirement. Also, plan to plan transfers from the County 457 Plan to the Pension Trust may also be used to facilitate such purchases.

Other Agency Involvement:

The Auditor Controller's office will make necessary payroll deductions from employees pay checks in a manner similar to that which is currently done for other service credit purchases.

Financial Considerations:

None to the County

Results:

Adoption of this Resolution will implement one of the elements from the collective bargaining sessions.

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**IN THE BOARD OF SUPERVISORS  
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA**

23rd day of May, 2006

**PRESENT: Supervisors**

**ABSENT:**

Resolution No. \_\_\_\_\_

**A Resolution adding Section 2.12.5 Military Service Credit – Purchase of Prior Service to the San Luis Obispo County Employees Retirement Plan.**

WHEREAS, Article 18 of the San Luis Obispo County Employees Retirement Plan confers sole authority to amend the Retirement Plan on the Board of Supervisors, and

WHEREAS, recently concluded negotiations between the San Luis Obispo County Deputy Sheriff's Association and the County negotiator resulted in an agreement to provide for the purchase of Pension Trust Service Credit as a result of active service with the armed forces; and

WHEREAS, said negotiations provide that a Safety Member employed in Bargaining Unit 03 or 14 or a Miscellaneous Member employed in Bargaining Unit 21 or 22 shall be eligible to purchase up to four (4) years of said Pension Trust Service Credit, and

WHEREAS, the Pension Trust Board of Trustees, as the body charged with the authority to administer the Retirement Plan has reviewed the Plan and has recommended to the Board of Supervisors that the Plan be amended as set forth below.

NOW, THEREFORE, be it resolved and ordered by the Board of Supervisors of the County of San Luis Obispo as follows:

- 1. That the San Luis Obispo County Employees Retirement Plan be and is hereby amended to add Section 2.12.5 (attached hereto as Exhibit A) to the Retirement Plan to be effective June 1, 2006.

Upon Motion of Supervisor \_\_\_\_\_,

Seconded by Supervisor \_\_\_\_\_,  
and on the following roll call vote to wit:

**AYES:**

**NOES:**

**ABSTAINING:**

***The foregoing resolution is hereby adopted:***

\_\_\_\_\_

**Chairman, Board of Supervisors**

**APPROVED AS TO FORM  
AND LEGAL EFFECT:**

**JAMES B. LINDHOLM, JR.**  
County Counsel  
By:   
Deputy County Counsel  
Dated: 5/10/06

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## EXHIBIT A

### Section 2.12.5 Military Service Credit – Purchase of Prior Service

a.) Effective June 1, 2006, a Safety Member employed in Bargaining Unit 03 or 14 or a Miscellaneous Member employed in bargaining unit 21 or 22 may elect to receive Pension Trust Service Credit for active service with the Armed Forces of the United States or Merchant Marine of the United States including time during any rehabilitation period afforded by the United States government other than a period for purely educational purposes. Service subject to purchase under this section must have been rendered prior to the Member's first employment with the County Employer.

b.) The Member shall contribute an amount to be determined in accordance with rules and regulations adopted by the Board of Trustees on the advice of the plan actuary retained for such purposes. Said contribution shall be actuarial present value of the liability associated with the additional Pension Trust Service Credit that is purchased pursuant to this Section. Said contribution may be made in a lump sum or in equal installments subject to approval by the Executive Secretary.

c.) The Military Service purchased under this section shall not include (1) Military Service in any period for which Pension Trust Service Credit is otherwise given (1) under Section 2.12 Military Service Credit, of this Retirement Plan , or (2) to the extent that the total Pension Trust Service Credit purchased under this Section 2.12.5 would exceed four years. (05-16-2006)

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