BOARD OF TRUSTEES
Agenda Item Description

BOARD MEETING DATE: 3/12/2015

SUBJECT: Resolution Eliminating PERS Employer Paid Member Contributions (EPMC) for Administrative/Confidential Staff

PROPOSAL: This item presents the Resolution for PERS Employer Paid Member Contributions for Administrative/Confidential Staff, which changes the current percentage of EPMC from 5.187% to 0%.

RECOMMENDATION: Approve the Resolution to Eliminate PERS Employer Paid Member Contributions for Administrative/Confidential Staff

SUPPORTING INFORMATION:

Background & Summary:

PERS Employer Paid Member Contribution (EPMC) is defined as the employer paying a certain percent of the employee’s normal PERS retirement contribution. Prior to 2013, the District paid a 5.187% EPMC for all Administrative/Confidential employees who were members of PERS. For Administrative/Confidential employees who were members of STRS, the District contributed 5.187% of the employee’s gross salary into a tax-sheltered annuity. Thus, the District was making equitable retirement contributions for all employees in this classification.

In 2013, the State of California enacted PERS pension reforms. One of the reforms prohibited the District from paying the EPMC for anyone hired after January 1, 2013. As a result, the District now has a two-tiered contribution system, where the District is paying the EPMC for Administrative/Confidential staff who are members of PERS hired before 2013 (22 employees) and not paying the EPMC for those hired after 2013 (5 employees). There are currently 9 STRS administrators who receive a tax-sheltered annuity equal to 5.187% of their gross salary.

In the interest of equity within the Administrative/Confidential employee group, the District proposed discontinuing the EPMC and the employer-paid tax shelter for all Administrative/Confidential employees and adding 5.187% to the Administrative/Confidential and Vice President Salary Schedules. PERS members would then pay 100 percent of the PERS member contributions. Currently, all STRS members pay 100 percent of the STRS member contributions.
The result would promote equity among the Administrative/Confidential employee group and increase the Administrative/Confidential and Vice President Salary Schedules, which will aid in recruitment as advertised salaries will be higher.

The Administrative/Confidential employee group agreed to implement this change for its members.

Administrators who currently have the PERS EPMC will experience a negligible change in their net pay due to the fact that the PERS contribution is tax-deferred. Administrators who currently have the district-paid tax-sheltered annuity may choose to defer a portion of their gross pay under an employee-paid tax-sheltered annuity. Those who do not currently have the benefit of either the EPMC or TSA will see an increase in their pay.

**Fiscal Impact of Proposal:** There will be minimal fiscal impact to the District.

Submitted By: Laura Ecklin
Dean of Human Resources

Approved for Consideration By: Ronald Kraft, Ph.D.
Superintendent/President

Attachments? Yes X No □
RESOLUTION OF THE BOARD OF TRUSTEES
OF NAPA VALLEY COMMUNITY COLLEGE DISTRICT
REVISING EMPLOYER PAID MEMBER CONTRIBUTIONS
FOR THE ADMINISTRATIVE/CONFIDENTIAL GROUP

Resolution No. 15.2

WHEREAS, the governing body of the Napa Valley Community College District has the authority to implement Government Code Section 20691; and,

WHEREAS, the governing body of the Napa Valley Community College District has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer; and,

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the Napa Valley Community College District of a Resolution to commence said Employer Paid Member Contributions (EPMC); and,

WHEREAS, the governing body of the Napa Valley Community College District has identified the following conditions for the purpose of its election to pay EPMC:

• This benefit shall apply to all employees of the Administrative/Confidential group,
• This benefit shall consist of paying 0.00% of the normal member contributions as EPMC,
• The effective date of this Resolution shall be April 1, 2015.

NOW, THEREFORE, BE IT RESOLVED, that the Napa Valley Community College District elects to pay EPMC, as set forth above.

PASSED AND ADOPTED by the Governing Board of the Napa Valley Community College District in Napa County, California, this 12th day of March, 2015, by the following vote:

AYES: ________________________________  ______________________________
Mr. Dan Digardi, President    Dr. Ronald D. Kraft, Secretary
Napa Valley Community College    Napa Valley Community College
Board of Trustees    Board of Trustees

ABSTAINED: ________________________________  ______________________________

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