



BOARD OF RETIREMENT

Staff Report

File #: 19-513

Agenda Date: 9/5/2019

Agenda #: 14.

FROM: Amy McInerny, Chief Financial Officer

SUBJECT: SBCERA Resolution 2019-3 - Employer Pay Codes of Employee Compensation

RECOMMENDATION:

Approve SBCERA Resolution No. 2019-3 - Employer Pay Codes of Employee Compensation.

BACKGROUND:

The SBCERA Board of Retirement (Board) is required by Government Code Sections 31461, 31542, 7522.10, and 7522.34, as well as Board Benefits Policy No. 26, *Compensation Earnable and Pensionable Compensation*, to determine what items of member compensation are included or excluded in employee compensation upon which appropriate contribution rates should be applied and upon which retirement benefits are calculated. When an employer presents a new pay item/code, SBCERA staff initially determines whether such items will be considered “compensation earnable” or “pensionable compensation, which determination will be effective immediately, subject to ratification by the Board.

On March 7, 2019, the Board reviewed and adopted a pay code resolution. Since the adoption, staff reviewed four additional pay code requests from participating employers and made the following determination.

Employer	Pay Item / Code	Earnable Compensation (Tier I)	Pensionable Compensation (Tier II)
County of San Bernardino	Differential Correctional Nurse Cert.	Yes	Yes
	Differential - 4N Stroke Unit	Yes	Yes
	Differential - Field Commander	Yes	Yes
Big Bear Fire Authority	Leave Accrual Cash Out	Yes	No

Based on the initial determination, staff requests that the Board ratify staff’s determination of the inclusion or exclusion as compensation earnable or pensionable compensation of the above pay item/code.

The resolution (Exhibit A) including Exhibits A through L sets out by employer these existing items of compensation, identified by employer pay codes, which will be included in compensation earnable for Tier I members, and Exhibit M sets out pensionable compensation for Tier II members, effective

September 5, 2019 for all employers. Exhibit B provides a redline version of those changes. A summary of changes to the pay codes is attached as Exhibit C.

The resolution is intended to comply with the requirements of the Internal Revenue Code of 1986, the 1937 Act, PEPRA, and the regulations issued thereunder as applicable.

BUDGET IMPACT:

None.

STRATEGIC PLANNING GOAL/OBJECTIVE:

Prudent Fiscal Management

STAFF CONTACT:

Amy McInerny

ATTACHMENTS:

Exhibit A: Pay Code Resolution 2019.3

Exhibit B: Pay Code Resolution 2019.3 Redline

Exhibit C: Summary of Changes to Pay Code Resolution 2019.3