

BOARD OF RETIREMENT
FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

RESOLUTION

Subject: Action of the Board of Retirement to direct agency staff to cease processing certain service credit purchases for eligible Fresno County employee members and notify these members that they must complete such purchases within 90 days of the date specified in the notice.

WHEREAS, The County Employees' Retirement Law ("CERL") permits county pension benefit plans, such as the Fresno County Employees' Retirement Association ("FCERA"), in certain circumstances, to allow plan members to purchase credit for their prior public service. Such transactions are commonly referred to as service credit purchases.

WHEREAS, Pursuant to the CERL, certain service credit purchases are only permitted when the governing board of a "county or district" adopts a resolution making certain provisions of the CERL applicable within "such county or district." (Gov. Code § 31641.95.) The applicable provisions of the CERL are Government Code sections 31470.7, 31478, 31479, 31480, 31641.1, 31641.2, 31641.3, 31641.4, 31641.8, and 31641.9. (*Id.*)

WHEREAS, Pursuant to the CERL, after the adoption of a resolution making the above provisions applicable, a county or district may adopt "a further resolution" declaring that the benefits made applicable in the earlier resolution "shall not be available to any employees who are hired by the county or district after" a "future date stated" in the second resolution. (Gov. Code § 31641.95.)

WHEREAS, On March 6, 2001, the Board of Supervisors of the County of Fresno (the "County") adopted Resolution #01-097 making "Sections 31470.7, 31478, 31479, 31480, 31641.1, 31641.2 (a) & (b), 31641.3, 31641.4, 31641.8, and 31641.9 of the Government Code ... applicable to the Fresno County Retirement System."

WHEREAS County Resolution #01-097 had an effective date of April 1, 2001, and provided that "members of the Fresno County Retirement System as of April 1, 2001 will have until June 30, 2001 to request the purchase of prior public service credit," and provided that "[i]ndividuals who become members of the Fresno County Retirement System after April 1, 2001, will have a three-month window period, after they become members of the Fresno County Retirement System, to request the purchase of prior public service credit; requests received after the three-month window period will not be processed." Resolution #01-097 provided that "[m]embers may purchase up to a maximum of four (4) years of qualifying public service credit."

WHEREAS, On October 25, 2011, the County adopted Resolution No. 11-345, which provided that "Sections 31470.7, 31478, 31479, 31480, 31641.1, 31641.2 (a) & (b),

31641.3, 31641.4, 31641.8, and 31641.9 of the Government Code are terminated and are no longer applicable to employees who are hired by the County after the effective date of” Resolution No. 11-345.

WHEREAS, County Resolution No. 11-345 had an effective date of November 27, 2011, and provided that “those employees of the County hired before November 28, 2011, who subsequently become members of [FCERA] through their County employment, and who have submitted a request to purchase public service credit to [FCERA], may still have their requests processed, if the request is received by [FCERA] in accordance with the three-month window period provided under [Resolution #01-097].” Resolution No. 11-345 does not define when a request is “received” by FCERA.

WHEREAS, FCERA has been tasked with administering member purchases of service credit in accordance with County Resolutions #01-097 and No. 11-345. FCERA’s practice has been to inform County employee members who put in a request prior to the Resolution deadlines that, because they had made a timely request to purchase prior service credit, they could finalize the transaction at a later time.

WHEREAS, After passage of Resolution No. 11-345 in 2011, FCERA had thirty-two (32) pending requests for prior public service purchase. Of those thirty-two (32): seven (7) requests were denied because they did not make the request within the timeframe required by the Resolutions; five (5) members retired without completing the purchase and are no longer eligible to make the purchase; fifteen (15) members completed their purchases; three (3) members have already requested recalculation; and two (2) members are eligible to request recalculation (collectively, the “Pending Requests”).

WHEREAS, On April 18, 2018, at a regular meeting of the Board of Retirement, the Board expressed its desire that FCERA staff stop processing the Pending Requests for service credit purchases pursuant to County Resolutions #01-097 and No. 11-345, provided that members who had made timely Pending Requests for such purchases are given proper notice that their ability to finalize an open service credit purchase request will cease within a given timeframe.

WHEREAS, After considering all of the information available to the Board, and exercising its judgment in the matter, be it resolved that:

RESOLVED (A): The Board directs staff to cease executing agreements to those with Pending Requests for service credit purchases under said Resolutions, provided that FCERA make reasonable efforts to provide written notice, as provided below, to those members with Pending Requests that their ability to complete an open service credit purchase request will end 90 days from the effective date of this Resolution.

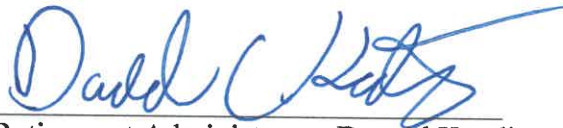
RESOLVED (B): The Board directs staff to provide notice of this time-limit to eligible County employee members via certified mail (return receipt requested) and to retain evidence in FCERA's official records that such notice attempts were properly given.

RESOLVED (C): This Resolution shall be effective immediately upon adoption.



Chair, Nathan Magsig
Board of Retirement
Fresno County Employees' Retirement Association

I hereby certify that on this 2nd day of May, 2018, the Board of Retirement of the Fresno County Employees' Retirement Association made and adopted this Resolution.



Retirement Administrator, Donald Kendig
Secretary to the Board of Retirement
Fresno County Employees' Retirement Association