

BEFORE THE BOARD OF RETIREMENT
OF THE FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
FRESNO COUNTY, CALIFORNIA

In the matter of)
 Authorizing the Continuance of)
 Increased Retirement Allowance for)
 Purchase of Health Insurance)
 _____)

RESOLUTION

WHEREAS, Government Code section 31691.1 authorizes the Board of Retirement to provide an increase in the retirement allowance which the retiree or eligible survivor(s) may use to pay for all or a portion of the premiums for health insurance of their choice; and

WHEREAS, section 31691.1 provides that this increase in the retirement allowance may be paid only from the earnings of the retirement fund which are in excess of the total interest credited to contributions and reserves plus one percent of the total assets of the retirement fund; and

WHEREAS, although the earnings of the retirement fund for the fiscal year ending June 30, 2005, were not sufficient to have an excess available to continue to pay the increase in retirement allowances in 2006-2007, the earnings plus the previously established reserve created for this purpose are sufficient to pay this benefit in 2006-2007.

NOW THEREFORE BE IT RESOLVED THAT for fiscal year 2006-2007, FCERA shall pay an increase in the retirement allowance pursuant to section 31691.1 to each retiree or eligible survivor(s), which the retiree or eligible survivor(s) may use to pay for all or a portion of the premiums for the health insurance of their choice.

AND BE IT FURTHER RESOLVED THAT this supplemental benefit shall continue to be calculated on the same basis as in the past, namely:

1 (a) For members with a membership date before January 1, 1990, the
2 monthly benefit shall be \$45.00, plus \$3.50 per year, for each full year up to thirty years
3 of qualified employment with the County or a participating district, to a maximum of
4 \$150.00; and

5 (b) For members with a membership date on and after January 1, 1990,
6 the monthly benefit shall be \$5.00 for each full year up to thirty years of qualified
7 employment with the County or a participating district, to a maximum of \$150.00.

8 **AND BE IT FURTHER RESOLVED THAT** the term "year of qualified
9 employment with the County or a participating district" as used in this resolution shall
10 continue to be defined on the same basis as in the past, namely, that all retirees shall
11 have their time of actual service with a participating employer, purchased prior service,
12 and purchased leaves of absence (medical leave and military leave) included, but only
13 those retirees who have previously had golden handshake time included shall continue
14 to do so. All other retirees, and all future retirees, shall have golden handshake time
15 excluded. (Purchases of prior public service are not employment with the County or a
16 participating district, so this time must be excluded for all retirees.)

17 **AND BE IT FURTHER RESOLVED THAT** the Administrator shall advise
18 recipients of this benefit that the earnings of the retirement fund plus the previously
19 established reserve for this purpose are projected to be sufficient to continue to pay this
20 benefit for approximately the next 9 – 11 years. The period of time may increase or
21 decrease based on actual retirement patterns, life spans of retirees and beneficiaries,
22 fund earnings and other similar parameters.

23 **AND BE IT FURTHER RESOLVED THAT** it is the intention of the Board to
24 continue to pay these benefits as long as there are sufficient earnings as specified in
25 Government Code Section 31691.1. To the extent that additional funds become
26 available through undistributed earnings in the future in accordance with Government

1 Code Section 31691.1, Board policies, regulations, court decisions and approved
2 settlements, it is the Board's intention to continue this benefit.

3 **AND BE IT FURTHER RESOLVED THAT** the Board recognizes the importance
4 of this unvested benefit to the members of this system, and hereby states its intent to
5 keep the benefit as long as legally possible without requiring the adoption of an annual
6 resolution to proceed.

7 **AND BE IT FURTHER RESOLVED THAT** that the Plan's actuary shall be
8 requested to update the estimate of the remaining period for which the benefit could be
9 provided at existing levels each year upon completion of the annual actuarial valuation.

10 **AND BE IT FURTHER RESOLVED THAT** the Administrator is authorized to take
11 whatever administrative actions may be necessary in order to carry out this resolution.

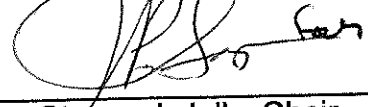
12 Adopted at a regular meeting of the Board of Retirement of the Fresno County
13 Employees' Retirement Association, held on the 21st day of June, 2006, by the
14 following vote, to wit:

15 Ayes: *Unanimous*

16 Noes:

17 Absent: *Dominguez, Jolly, Storey*

19 BOARD OF RETIREMENT

20 By: 
21 Steven J. Jolly, Chair

23 Attest:

24 
25 Roberto L. Peña, Secretary