

Legal Framework

Which laws, charters or collective bargaining agreements govern the pension system?

Is the county a “general law” or a “home rule” county?

What have been the most recent changes in the law (legislation or ballot initiative)?

Are there constitutional protections for the pension system?

If there has been litigation regarding pension systems, what are controlling precedents or requirements mandated by previous court settlements or cases?

Who controls changes to the pension benefits, the MCERA board or the Board of Supervisors?

Do taxpayers have access to the ballot initiative or a referendum on pension benefit levels or increases?

Have there been any labor contracts or pension benefit packages that were negotiated and agreed upon that lack or do not conform to required county code or state statutes?

Plan Structure

What type of plan is offered? Is there only defined benefit, or is there a hybrid with a defined benefit option as well?

What are the pension calculation formulas?

How is “final average salary” calculated?

How is “years of service” determined?

How is the “multiplier” determined?

What are the contribution requirements for the employer?

What are the contribution requirements for the employees?

What is the cost of living adjustment (COLA) structure?

What are the allowed retirement ages?

Governance Structure

Who or what governs the system?

Are board members appointed or elected? By whom?

What are the requirements for membership on the pension board?

Are board members chosen for political considerations or because of a specific professional qualification or some combination of the two?

Is there a moral hazard problem with the plan since a majority of the members of the Board are also members of the Association and receive, or eventually will receive, benefits from the plan?

Have the board's previous activities and expenses been audited?

What are the system's former and current collective bargaining agreements, memoranda of understanding or labor negotiation procedures?

What is the target funding ratio for the plan?

Is information on the pension plan transparent and readily available? Is there a website providing easy access to detailed information about the pension plan?

What are the financial controls for the pension plan? Are they being followed? How do they stack up against those required of private pension systems?

What are the investment targets used by the plan? What is their track record at hitting investment return goals?

Sustainability and Fiscal and Budgetary Impact

What is the current status of the fund including all the liabilities on the system?

What are the assumptions that play into these numbers?

Are there any cost escalators or cost of living adjustments (COLAs) that need to be considered or that are embedded in the system?

Is there an extraneous benefit or a preservation of benefit for which the pension system is paying?

Is the County's disability payments routed through or comingled with the pension system? If so, how are these accounted for? Are disability payments counted in the unfunded liability valuation?

How do pension obligation bonds affect the financial position of the plan?

How has the County handled its actuarially required contribution (ARC) payments?

What percentage of the County's budget has been ARC payments during the past 10 years? Is the County allowed to contribute less than 100 percent of its ARC payment in a particular year?

I keep hearing that the plan is bankrupt, when will it run out of money and what will happen to retirees at that point?

What are the ranges and average for payouts, including salary, health care and other benefits for the following classifications of pensioners? (a. Full-time b. Part-time and/or seasonal c. Retired annuitants d. Others)

How many of these pensioners have other supplemental pension funds, including a defined contribution plan with contributions from the jurisdiction?

When the plan has returns above expectations, what is done with those excess funds?

What is the ratio of current employees versus retired employees supported in the jurisdiction's pension plan?

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