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MENDOCINO COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
625-B KINGS COURT
UKIAH, CALIFORNIA 95482-5027

Date: July 19, 2017
To: Board of Retirement
From: James Wilbanks, Retirement Administrator
Subject: Resolution 2017-02 Defining Compensation Earnable Pursuant to Government Code §7522.34 for Members What Are Not Subject to Government Code §31461 (PEPRA Members)

Mendocino County recently approved a new collective bargaining agreement with employees represented by the Service Employees International Union (SEIU). The newly adopted agreement provides for a new pay item. Specifically, a 5% incentive pay is to be provided to represented employees that work in outlying areas including Fort Bragg, Point Arena and Covelo.

After reviewing the relevant statutes, Legal Counsel and I agree that this item should be included in Compensation Earnable for PEPRA members. The resolution specifies an effective date of July 1, 2017 (prior to the adoption of the resolution) as the pay item becomes effective for impacted employees after that date.

I recommend the Board adopt the attached resolution.

MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
RESOLUTION ~~2016~~2017-0502

**TO SUPERSEDE RESOLUTION 2016-~~0205~~ DEFINING PENSIONABLE COMPENSATION
PURSUANT TO GOVERNMENT CODE §7522.34 FOR MEMBERS WHO ARE NOT
SUBJECT TO GOVERNMENT CODE §31461 (PEPRA MEMBERS)**

WHEREAS, for those members who became active members on or after January 1, 2013, and who are subject to the California Public Employees' Pension Reform Act (PEPRA) contained in Government Code §7522 et seq., the determination of their pensionable compensation is governed by Government Code §7522.34; and

WHEREAS, the pensionable compensation for those employee members who are subject to Government Code §7522.34 shall be the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules; and

WHEREAS, the Board has reviewed the current pay items and has determined which of those items are to be included in "pensionable compensation" and which items are not to be included; and

WHEREAS, it will be necessary for this Board, from time to time, to amend its determinations of pensionable compensation due to changes made by MCERA employers in their compensation schedules as well as changes in the law; Therefore be it

RESOLVED, that effective ~~May 18, 2016~~July 19, 2017, resolution number ~~2014~~2016-06-05 is superseded and pursuant to Government Code §7522.34, the Board hereby makes the following determinations as to what is included in "pensionable compensation" and items of remuneration that are not included as of July 1, 2017:

1. Pensionable compensation shall include:

Pay Code	Description
406	Shift PM
407	Shift AM
409	Supervisor Shift
417	32.50 Bilingual
418	18.00 Bilingual
422	Confidential 5%
437	Retroactive Longevity
438	2.5% Longevity
439	5% Longevity
443	7.5% Longevity
444	10% Longevity
452	Retroactive Salary Adjustment
457	BA Incentive
515	Animal Handler
520	Field/Specialized Training
523	Bilingual 5% MCLEMA

Pay Code	Description
529	Covelo Bonus
530	Officer In Charge
531	Officer In Charge Level 2
532	Detective/Investigator Premium
556	AA/AS/Supv Incentive MCLEMA
557	Supv Incentive MCLEMA
558	10% B/A Incent
559	AA/AS DSA 3% 5% Regional
567	Bilingual 3% MCLEMA

2. Pensionable compensation, at a minimum, shall not include, in any case, the following pay items.

A. The following pay codes are not included:

Pay Code	Description
303	Vacation Pay-Out Non Management
304	Vacation Pay-Out Management
424	On Call Regular – Probation
427	On Call Weekend/Holiday – Probation
430	Medical Expense Reimbursement Plan-Taxable Reimbursement
432	Insurance Stipend – South Coast, Covelo Resident Deputy
434	Clothing Allowance – Probation
435	Supplemental Pay to Similarly Situated Members in the Same Grade or Class
440	On Call Regular – SEIU
441	On Call Weekend/Holiday – SEIU
445	Car Allowance
456	Board Of Supervisor Auto Allowance
514	Standby Pay
525	Uniform Allowance
528	Covelo Housing
926	Uniform Non-Cash

B. Pursuant to Government Code §7522.34, pensionable compensation does not include the following:

1. Any compensation determined by the Board to have been paid to increase a member's retirement benefit.
2. Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member and which was converted to and received by the member in the form of a cash payment.
3. Any one-time or ad hoc payments made to a member.
4. Severance or any other payment that is granted or awarded to a member in connection with or in anticipation of a separation from employment, but is received by the member while employed.

5. Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid.
 6. Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.
 7. Any employer-provided allowance, reimbursement, or payment, including, but not limited to, one made for housing, vehicle, or uniforms.
 8. Compensation for overtime work, other than as defined in Section 207(k) of Title 29 of the United States Code.
 9. Employer contributions to deferred compensation or defined contribution plans.
 10. Any bonus paid in addition to the compensation described in subdivision (a) of Government Code §7522.34.
 11. Any other form of compensation the Board determines is inconsistent with the requirements of subdivision (a).
 12. Any other form of compensation that this Board determines should not be pensionable compensation.
3. Pursuant to Government Code §7522.10, whenever pensionable compensation, as defined in §7522.34, is used in the calculation of a benefit, the pensionable compensation shall be subject to the monetary limitations set forth in subdivision §7522.10.

FURTHER RESOLVED that any pay codes not specifically listed in this Resolution as included in pensionable compensation shall be excluded from pensionable compensation. In the event a new pay item is created by a plan sponsor, the new pay item shall be excluded from pensionable compensation unless, and until, this resolution is amended by the Board of Retirement to include the pay item in pensionable compensation.


FURTHER RESOLVED that the above listed determinations by the Board of what is included or not included in pensionable compensation, shall be in effect until such time as this Board, the Legislature or the Courts take action that as a matter of law requires a different determination.

The foregoing resolution introduced by Board Member John Sakowicz, seconded by Board member Shari Schapmire, and carried this ~~14th-19th~~ day of ~~December~~July, ~~2016~~2017, by the following vote:


Ayes: ~~Kathryn Cavness, John Sakowicz, Dan Gjerde, Ted Stephens, Craig Walker, Tim Knudsen, Jeri Harris, Shari Schapmire, and Patrick Sullivan.~~

Noes: 0
 Abstain: 0
 Absent: 0

WHEREUPON, The Chair declared said Resolution adopted, and SO ORDERED.



 Dan Gjerde
 Board of Retirement Chair

Attest: 

 James R. Wilbanks, Ph.D.
 Retirement Administrator