

Priority: Accountability
Program Offer Type: Existing Operating
Related Programs:

Lead Agency: County Management
Program Contact: Mindy Harris

Program Characteristics:

Executive Summary

The Retirement Program manages the County's activities related to PERS and the County's Deferred Compensation Plan.

Program Description

Responsibilities for PERS include maintaining employee information to accurately report and pay pension contributions; reconciling employee contributions each pay period and annually as required; work to abate fines that can be assessed.

Responsibilities for Deferred Compensation include reporting and reconciling employee financial information each pay period; negotiating investment service contracts with the investment providers; amending retirement plans to reflect changes in retirement legislation; analyzing investment performance and determining when and how changes will be implemented; and providing retirement education services to employees.

Program Justification

The Retirement Program is linked to the Accountability Priority by contributing to effective human resource asset management; in addition, the program contributes to the County's ability to attract & retain a highly qualified staff. The pension plan (PERS) is a key benefit to employees and one of the most heavily regulated benefits. The County is required to pay retirement contributions, perform reconciliations, and audit data transmitted to PERS. The County is also one of the leaders in reforming the PERS system. The Deferred Compensation plan is comprised of money that employees choose to defer until retirement. The County's administrative expenses are paid by the investment providers and the County has fiduciary liability & responsibility for the accuracy of accounts for each participant, monitoring investment choices, and compliance with IRS regulations.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY04-05)	Current Year Purchased (FY05-06)	Current Year Estimate (FY05-06)	Next Year Offer (FY06-07)
Output	Compliance to reporting/payment requirements	90%	0%	100%	100%
Outcome	Amount of fines from non compliance	0	0	0	0
Quality	Percent of employees contributing to deferred compensation plan	34%	34%	37%	37%
Outcome		0	0	0	0

Performance Measure - Description

Performance for the pension plan is measured by compliance to reporting and payment requirements. The goal is 100% compliance with reporting requirements with no financial penalties being imposed on the County.

Percent of employees contributing to the County's Deferred Compensation Plan will measure the effectiveness of the education, quality of investment options, and overall attractiveness of the Plan as a voluntary employee benefit. The national average for participation is 20%. During FY06, the number of education opportunities was increased and participation increased from 34% to 37%.

Legal/Contractual Obligation

The Retirement programs are mandated by labor contract, ORS 238 & related statutes, and by contractual agreement with the investment providers. Statutes and administrative rules governing PERS specifically identify employer responsibilities. Investment provider contracts specify a service performance levels and an amount that the providers reimburse the County for administrative costs. Reductions to this program would disable the County's ability to meet PERS reporting requirements outlined in ORS 238 and to carry out federally required fiduciary responsibilities.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2006	2006	2007	2007
Personnel	\$195,881	\$0	\$191,417	\$0
Contracts	\$5,000	\$0	\$7,500	\$0
Materials & Supplies	\$2,817	\$0	\$2,900	\$0
Internal Services	\$14,084	\$0	\$16,298	\$0
Subtotal: Direct Exps:	\$217,782	\$0	\$218,115	\$0
Administration	\$0	\$0	\$11,031	\$756
Program Support	\$0	\$0	\$2,717	\$0
Subtotal: Other Exps:	\$0	\$0	\$13,748	\$756
Total GF/non-GF:	\$217,782	\$0	\$231,863	\$756
Program Total:	\$217,782		\$232,619	
Program FTE	0.00	0.00	2.21	0.00
Program Revenues				
Other / Miscellaneous	\$69,356	\$0	\$72,824	\$0
Program Revenue for Admin	\$0	\$0	\$906	\$0
Total Revenue:	\$69,356	\$0	\$73,730	\$0

Explanation of Revenues

This program is supported by General Fund revenues. The County's investment provider contracts for the Deferred Compensation Plan require the providers to reimburse the County for administrative cost of the Plan. Reimbursements are made on a quarterly basis.

Significant Program Changes

Last year this program was: #70003, Retirement Programs

Current service level budget. The retirement plan for the former Library Association of Portland was closed in FY06 and funds were transferred to individual accounts. This was not a significant change in workload but was a significant reduction in fiduciary liability & responsibility for the County.