



Board Agenda Item 9

DATE: March 19, 2024

TO: Board of Supervisors

SUBMITTED BY: Hollis Magill, Director of Human Resources

SUBJECT: Deferred Compensation Plan Contribution Match Increase

RECOMMENDED ACTION(S):

Approve an increase in the County’s employer matching contribution related to employees’ County of Fresno 457(b) Deferred Compensation Plan contributions, for County employees in Retirement Tiers IV and V for positions designated as Unrepresented, Management, Senior Management Supervisor, Senior Management, Assistant Department Heads, Department Heads and Elected Officials.

There is an increase of \$16,735 in Net County Cost (NCC) associated with the recommended action for FY 2023-24. Approval of the recommended action would increase the County’s match of employees’ contributions to their County of Fresno 457(b) Deferred Compensation Plan (the “457(b) Plan) account in an effort to remain competitive in the local market. Impacted department appropriations will be monitored and adjustments will be brought to your Board if needed.

ALTERNATIVE ACTION(S):

If your Board were not to approve the recommended action, there would be no change to the existing amount of the County’s 457(b) Plan contribution match.

FISCAL IMPACT:

The estimated cost of the recommended action for fiscal year 2023-24 is approximately \$61,716; \$16,735 of which is NCC. Impacted department appropriations will be monitored and budget adjustments will be brought to your Board, if necessary. The estimated cost for FY 2024-25 is approximately \$229,231; \$62,159 of which is NCC. Sufficient appropriations will be included in the impacted department’s FY 2024-25 budget requests.

DISCUSSION:

On April 5, 2022, your Board adopted the 401(a) Defined Contribution Plan (Plan) pursuant to Resolution No. 22-114. The purpose of the 401(a) Plan is to receive employer matching contributions related to employees’ 457(b) Plan contributions.

On September 21, 2021, the Board of Supervisors approved an employer matching formula of 100% of employees’ 457(b) Plan account contributions, up to a maximum of \$25.00 per pay period, for County employees in Retirement Tiers IV and V, for classifications designated as Unrepresented, Management, Senior Management, and Department Heads (including Elected Officials). Such matching contributions are contributed to the participating employees’ County of Fresno 401(a) Plan accounts.

Consistent with your Board's direction, the recommended action would effectuate an increase in the employer matching contribution formula to 100% of employees' 457(b) Plan account contributions, up to a maximum of \$50.00 per pay period, effective March 18, 2024. Employees not contributing to the 457(b) Plan will not be eligible to receive this match. The duration of the County's 457(b) Plan contribution match will be at the Board's discretion and can be eliminated at any time.

REFERENCE MATERIAL:

BAI #39, April 5, 2022

BAI #34, September 21, 2021

CAO ANALYST:

Salvador Espino