Attachment 8

Impact of the Early Retirement Incentive For Riverside County Miscellaneous Members of CalPERS

January 20, 2010

The County of Riverside offered an early retirement incentive to its employees in the California Public Employees' Retirement System (CalPERS) Miscellaneous Members' Pension Plan during a 90-day period from January 1, 2009 to March 31, 2009. At the time, there were 3,435 employees who were eligible for this incentive, and 651 (19%) elected to retire with the incentive. As the Board of Supervisors is considering offering another incentive period to respond to the ongoing economic challenges, this report will analyze the results produced from the 2009 offering.

Did the offer result in a reduction in the workforce?

Yes. Exhibit I demonstrates that the overall County workforce decreased by 5.5% last year, a net total of 1,048 employees from December 31, 2008 to December 31, 2009. Over half of that decrease was accomplished through the retirement incentive program. The total number of retirements for Miscellaneous Members in 2007 and 2008 were 260 and 189, respectively. Total retirements in 2009 for this group were 716, more than three times the average number.

Were those who took the offer concentrated in certain employee groups or departments?

No. There were seven departments that had no takers, but these were fairly small departments. Overall, the distribution across departments is reflective of the size of the department. As for employee groups, with the exception of the LIUNA Trades, Crafts, and Labor unit, the percentage of eligible employees who took the offer ranged from 16% to 33%, with the largest acceptance rate being the Prosecution unit. See Exhibit II for a breakdown by union.

Age and service seemed to be a better predictor of who would elect to retire. Employees over age 60 and those with 20 or more years of service were most likely to accept the offer. See Exhibit III.