



SAN MATEO COUNTY
SHERIFF'S OFFICE ASSOCIATION
POST OFFICE BOX 961, REDWOOD CITY, CA. 94064

November 20, 2018

**2018 SMCSOA
Board of Directors**

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Greetings SOA Members,

I hope this letter finds you well. I would like to start by saying, it has been a pleasure serving as your Sheriff's Office Association President for the past two years. It's been an honor and a privilege to be a part of this amazing organization.

Your SOA Board of Directors meets regularly to ensure smooth operation and responsible management of our Association. Our membership has the benefit of great insurance coverage that assists families in that time of need when a member passes on. As you all know, inflation is always on the rise and we have been cautiously watching the impact on our SOA treasury. Our insurance provider, Metropolitan Life, has over the past couple years, slowly raised the premiums that we must pay to ensure the sustained death benefit coverage for both our retired and active members. This is largely based on the ages of our members and the number of pay-outs incurred.

For some historical perspective, in 2011, the SOA membership voted to increase the long standing dues of \$5.00 per paycheck to \$11.00 per paycheck. This 2011 increase in dues came with an increase in benefits resulting in the death benefit coverage of \$20,000.00 for active members and \$10,000.00 for retired members. As a reminder, our retirees do not pay any dues once retired.

With steadily rising insurance dues since 2011, we are currently faced with a significant financial burden to our treasury. Based on the current premium cost and certainty of future increases, we realize a hazardous deficit to our treasury.

Your SOA Board of Directors has met and discussed several options to resolve this financial crisis. In addition to other measures to ensure financial responsibility, we propose the following options (see reverse side) relative to the insurance coverage and membership dues.

Option #1: Increase the existing SOA dues rates from \$11.00 bi-weekly to \$13.00 bi-weekly. This \$2.00 per paycheck increase would be realized by the active members only. The existing death benefit insurance coverage would remain the same (\$20,000 for active members and \$10,000 for retired members)

Option #2: Reduce the death benefit insurance coverage for active members from \$20,000.00 to \$10,000.00. The coverage for retired members would remain the same (\$10,000.00). With this option, the dues for active members would remain the same (\$11.00 bi-weekly).

Almost all SOA life insurance pay-outs are made to the families of our retired SOA members at the rate of \$10,000.00 per occurrence. Although we occasionally lose an active member of our Association, the payout of \$20,000.00 is infrequent.

Your SOA Board of Directors believes Option #2 is the better of the two. By reducing the amount of insurance coverage for active members, the premium cost savings will be significant. This option will have a much greater sustained benefit to our treasury. Additionally, there would be no increase in dues to our active members.

	Current Plan	Option #1	Option #2
Member Bi-weekly Dues	\$11	\$13	\$11
Insurance Coverage for Active Members	\$20k	\$20k	\$10k
Insurance Coverage for Retired Members	\$10k	\$10k	\$10k
Gross Monthly Dues Income	\$8,600	\$10,140	\$8,600
Monthly Insurance Expenditure	\$9,960	\$9,960	\$6,500

The SOA Board continues to explore other options to sustain a solvent treasury however please find a vote choice on these two options listed on the enclosed ballot.

Your input on this matter is welcome. Please contact either myself or any other member on the SOA Board should you wish to discuss these options.

Sincerely,

Hector Acosta

Hector Acosta, President
 Sheriff's Office Association