

CaIPERS CONTRIBUTIONS COST-SHARE
SIDE LETTER OF AGREEMENT
BETWEEN
CITY OF HAYWARD
AND
SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 1021
MAINTENANCE AND OPERATIONS UNIT

This side letter of agreement is entered into by and between the City of Hayward (“City”) and the Service Employees International Union, Local 1021 – Maintenance and Operations Unit (“Union”), collectively referred to as the Parties, regarding the following:

Employee-paid Employer Contributions, known as the Employer Cost-Share, rates were previously negotiated between the City and the Union during the Memorandum of Understanding (MOU) period of January 1, 2021, through June 30, 2024. The terms of the MOU state that both Classic and PEPRA members shall be responsible for contributing to the City’s employer rate to the California Public Employees’ Retirement System (CalPERS). Classic and PEPRA bargaining unit members shall contribute four and one half percent (4.5%), effective the pay period including July 1, 2017, and increase by one half of one percent (.5%) to five percent (5.0%), effective the pay period including January 1, 2021. While the contract provisions set forth under Section 10.01 – Defined Benefit Retirement Program explicitly define the required bargaining unit required contribution rate increase effective the pay period including January 1, 2021, due to unintentional administrative omission the defined increase was not implemented. In order to implement this contractual agreement, the City is required to amend its contract with CalPERS before implementing the required five percent (5%) employer cost-share rate. Effective December 30, 2024, Section 10.01 Defined Benefit Retirement Program shall be amended as set forth below.

The City will continue to contract with CalPERS to provide a retirement program for employees. Bargaining Unit members deemed classic employees shall have the following retirement benefit package:

Benefits shall include:

1. Two and a half percent (2.5%) at age fifty-five (55) benefit formula
2. Fourth (4th) Level of 1959 Survivor's Benefits
3. One (1) Year Final Compensation
4. Military Service Credit as Public Service

5. Continuation of Pre-Retirement Death Benefit after Remarriage of Survivor. These benefit plans require an employee contribution of eight percent (8%) for "Classic" bargaining unit members. Classic employees shall pay the full employee contribution of eight percent (8%), which shall be paid by the employee on a pre-tax basis in accordance with IRS Section 414(h)(2) method of reporting retirement payments. In addition, "Classic" bargaining unit members shall be responsible to contribute to the City's employer contributions to CalPERS as follows:

Effective the pay period including July 1, 2017, four and one-half percent (4.5%).

Effective December 30, 2024 (the pay period including January 1, 2025) increase by one half of one percent (.5%) to a total five percent (5.0%).

The City has amended its contract with CalPERS to allow employees to receive CalPERS credit for the additional contributions made to CalPERS on the City's behalf.

New members as defined by the Public Employees' Pension Reform Act (PEPRA) pension reform statute shall have a retirement formula dictated by law and shall be required to pay at least fifty percent (50%) of the normal cost of their pension as identified, and periodically revised, by CalPERS or eight percent (8%) whichever is greater up to the legal maximum. In addition, "New" bargaining unit members shall be responsible to contribute to the City's employer contributions to CalPERS as follows:

Effective the pay period including July 1, 2017, four and one-half percent (4.5%).

Effective December 30, 2024 (the pay period including January 1, 2025) increase by one half of one percent (.5%) to a total of five percent (5.0%).

The City agrees to amend its contract with CalPERS to allow employees to receive CalPERS credit for the additional contributions made to CalPERS on the City's behalf.

For the Union:

For the City:

Robert Mitchell, Sr., President Local 1021

Dustin Claussen, Interim City Manager

Nathan Hansford, Field Representative

Brittney Frye, Human Resources Director

Dated _____

Dated _____