

**2020 SIDE LETTER OF AGREEMENT TO AMEND SECTION 6.01B OF THE  
MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF HAYWARD AND  
INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, AFL-CIO, LOCAL 1909**

This Side Letter of Agreement is made between the City of Hayward (City) and IAFF Local 1909 to amend section 6.01B of the Memorandum of Understanding effective January 1, 2010, through December 31, 2023 between the parties regarding PEPRA “New” employees’ CalPERS contributions. This Side Letter of Agreement clarifies the additional CalPERS contribution for PEPRA “New” members (employees hired on or after January 1, 2013) in excess of the published CalPERS employee rate. This additional contribution under Government Code Section 20516 equals a fifteen percent (15%) total CalPERS employee contribution as agreed upon by the parties.

The City and IAFF Local 1909 agree that the terms of this Side Letter of Agreement shall become effective the pay period including July 1, 2020. The parties also agree that the terms of this Side Letter of Agreement are limited to only those specific items contained herein.

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**Retirement Plan, Optional Benefits, Cost Sharing (PERS Contributions)**

Section 6.01B (Optional Benefits, Cost Sharing (PERS Contributions)) shall be null and void and replaced with the following:

(B) Employees hired on or after January 1, 2013

This Section B shall apply to CalPERS eligible employees hired on or after January 1, 2013, who do not qualify for pension reciprocity pursuant to Government Code Section 7522.02(c) (referred to as CalPERS “New Members”). The City shall provide the required retirement plan benefits for new members pursuant to California Public Employees’ Pension Reform Act of 2013.

- i. As required by Government Code Section 7522.25, the safety Option Plan Two (2% @ 50 – 2.7% @ 57) pension formula shall apply.
- ii. As required by Government Code Section 7522.32, for the purposes of determining a retirement benefit for these employees, final compensation shall mean the highest average annual pensionable compensation earned during 36 consecutive months of service.
- iii. As required by Government Code Section 7522.30, employees shall have an initial contribution rate of 50% of the total normal cost rate as defined in Section 7522.04 (g).

- iv. Other contracted benefits include:
  1. Section 20965 – Unused Sick Leave Credit;
  2. Section 21547.7 – Alternative Death Benefit for Local Fire Members Credited with 20 or More Years of Service;
  3. Section 21573 – 1959 Survivor Benefits Level 3;
  4. Section 21329 – 2% Annual Cost-of-Living Allowance Increase;
  5. Section 20516 – Member Sharing Cost of Optional Benefit;
  6. Section 20903 – Additional Service Credit 2 Years;
  7. Section 21551 – Pre Retirement Death Benefit to Continue after Remarriage;
  8. Section 21027 – Military Service Credit for Retired Persons;
  9. Section 21024 – Military Service Credit for as Public Service;
  10. Section 21635 – Post-Retirement Survivor Allowance to Continue after Remarriage;
  11. Section 21624/21626 – Post-Retirement Survivor Allowance;
  12. Section 21620 – Retired Death Benefit; and
  13. Section 20055 – Prior Service.

New members shall pay a total of 15% of reportable wages to fund their pension. The fifteen percent (15%) of reportable wages is comprised of the CalPERS published employee rate, plus the additional contribution to the City’s employer rate that the City would otherwise be required to pay to CalPERS for these employees. Under Section 20516, the additional contributions are as follows:

Effective the pay period including July 1, 2013	3.75%
Effective the pay period including July 1, 2016	5.25%
Effective the pay period including July 1, 2020	4.5%

Following the 2018 Valuation Report, under Section 20516, effective July 1, 2020, employees’ contributions will be adjusted to 4.5%. If CalPERS enacts another change to the employee rate as reflected in the Annual Valuation Report, the parties will amend this side letter to ensure it accurately reflects new members pay a total of 15% of reportable wages to fund their pension. This contribution represents the employee’s 50% of normal cost as determined by CalPERS. The balance, if any, of this contribution shall constitute employee payment of a portion of the employer’s 50% of normal cost as determined by CalPERS. In no event shall the employee contribution be less than 50% of the total normal cost rate, as required by Government Code Section 7522.30.

Executed on this \_\_\_\_ day of \_\_\_\_\_, 2020 at Hayward, California

For the City of Hayward:

For International Association of Firefighters,  
AFL-CIO, Local 1909

\_\_\_\_\_  
Kelly McAdoo, City Manager

  
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Andrew Ghali, President