

MEDICAL EXPENSE REIMBURSEMENT PLAN (MERP) - EMPLOYEE

CONTRIBUTIONS

SIDE LETTER OF AGREEMENT

BETWEEN

CITY OF HAYWARD

AND

HAYWARD FIRE CHIEF'S ASSOCIATION

This side letter of agreement is entered into by and between the City of Hayward ("City") and the Hayward Fire Chief's Association (HFCA) collectively referred to as the Parties, regarding the following:

In the Memorandum of Understanding effective July 1, 2024, through June 30, 2029, the mandatory employee contributions to the IAFF MERP were set at one percent (1%) of the monthly base pay of Step E Deputy Fire Chief (fifty-six (56) hour), plus an additional contribution based on years of service. This creates a situation where the HFCA members are contributing at a higher rate than IAFF Local 1909 and Hayward Fire Officers Association, who make mandatory contributions based on one percent (1%) of Step E Fire Captain which is not allowable per IRS non-discrimination rules for Highly Compensated Employees. This side-letter will set the employee contributions for HFCA at one percent (1%) of Step E Fire Captain, to align with the other two units participating in the MERP.

Effective July 1, 2024, Section 5.13 C - Retiree Medical Trust shall be amended as set forth below.

- C. Employee Contribution Amount. The City and the Association agree that the City shall withhold a mandatory contribution amount equivalent to one percent (1%) of the monthly base pay of Step E Fire Captain (fifty-six (56) hour) per month (i.e., one-hundred sixty-seven dollars and fifty-eight cents (\$167.58) for FY2024), plus an additional contribution based on years of service in accordance with Table C-1 below on a pre-tax basis from the pay of every employee in the Defined Class and shall transmit such contributions to the Trust pursuant to the requirements of 5.13-(G) below.

Years of service shall be inclusive of enrollment in CalPERS, United States Forestry Service, United States Military Service, CERL-1937 Act, and/or other municipal pension system.

HAYWARD FIRE CHIEF'S ASSOCIATION

No employee in the Defined Class shall be permitted to opt-out of the mandatory contributions or receive any portion of the contribution in cash.

Employee contributions will be made on a bi-weekly per pay period basis in the amount of seventy-seven dollars and thirty-four cents (\$77.34)*, plus an additional contribution based on years of service. The Association has determined that the contributions to the plan shall be per pay period as follows:

Table C-1.

Years of Service	Biweekly Employee Contributions (1% of Step E Fire Captain*)	Additional Biweekly Employee Contribution*	Total Biweekly Employee Contribution*	Total Monthly Employee Contribution*
0-10	\$77.34	-	\$77.34	\$154.68
11-20	\$77.34	\$25.00	\$102.34	\$204.68
21-22	\$77.34	\$50.00	\$127.34	\$248.68
23-24	\$77.34	\$75.00	\$152.34	\$304.68
25-26	\$77.34	\$100.00	\$177.34	\$354.68
27-28	\$77.34	\$125.00	\$202.34	\$404.68
29+	\$77.34	\$150.00	\$227.34	\$454.68

*This amount shall be adjusted whenever the Step-E Fire Captain salary is adjusted

For Hayward Fire Chief's Association:



Scott Anderson, Deputy Fire Chief

For City of Hayward:



Dustin Claussen, City Manager

Dated

9/24/2024



Brittney Frye, Human Resources Director

Dated 10/7/24