

Article 9

RETIREMENT

Section 9.1

RETIREMENT PLAN

For bargaining unit employees hired on or before February 16, 2012, the City shall pick up each affected employee's standard contribution to the Public Employees' Retirement System (PERS) not to exceed nine percent (9%) of the affected employee's compensation reported to PERS. Said PERS pickup shall be credited to the employee's account with PERS.

The City shall continue to pay the Employer Paid Member Contribution (EPMC). Those employer paid member contributions shall be credited to the employee's account with PERS. In addition, those employer paid member contributions shall be reported to PERS as pensionable income in accordance with California Government Code Section 20636(c)(4). In no event shall the EPMC exceed nine (9%) of pension income of the affected member contribution for public safety members of CalPERS.

Effective the first pay period following January 1, 2018, if a wage increase is in excess of two percent (2%), represented employees in Retirement Tier 1 shall pay a portion of the required employer contribution equal to one and one half percent (1.5%) of pensionable income pursuant to the cost-sharing provisions set forth in California Government Code Section 20516(f).

Effective the first pay period following January 1, 2019, if a wage increase is in excess of two percent (2%), represented employees in Retirement Tier 1 shall pay an additional portion of the required employer contribution equal to one and one half percent (1.5%) of pensionable income pursuant to the cost-sharing provisions set forth in California Government Code Section 20516(f).

Effective the first pay period following January 1, 2020, if a wage increase is in excess of two percent (2%), represented employees in Retirement Tier 1 shall pay an additional portion of the required employer contribution equal to one and one half percent (1.5%) of pensionable income pursuant to the cost-sharing provisions set forth in California Government Code Section 20516(f).

Effective the first pay period following January 1, 2021, if a wage increase is in excess of two percent (2%), represented employees in Retirement Tier 1 shall pay an additional portion of the required employer contribution equal to one and one half percent (1.5%) of

pensionable income pursuant to the cost-sharing provisions set forth in California Government Code Section 20516(f).

Bargaining unit employees hired on or after February 17, 2012 shall pay 100% of the employee's normal contribution (currently 9%) to PERS. **Bargaining unit employees hired between February 17, 2012 and June 12, 2012 are considered Tier 1 and will be subject to the cost-sharing provisions effective January 1, 2018. These employees will have the 9% employee contribution offset by the cost-sharing employer contribution percentage every year upon the contract amendment effective date, in order to allow employees to continue to pay a total combined contribution of 9%.**

9.1.1 The above PERS pick up shall not be considered as base salary but shall be considered employer contribution pursuant to Section 414(h)(2) of the Internal Revenue Code.

9.1.2 Except as provided below, the City shall provide the One-year Highest Compensation benefit for all Police Unit employees. (Government Code Section 20042)

Bargaining unit employees hired **on or after June 13, 2012 will be under Retirement Tier 2, which is the effective date of the PERS Amendment**, shall receive the average of the three highest years compensation benefit. (Government Code Section 20037)

9.1.3 For employees who intend to retire after May 15, 1992, they may elect to have their final year's salary augmented by the 9% currently being contributed by the City to PERS. By so doing, the employee becomes responsible for paying his/her contribution to PERS. Notice to the City of intent to retire and to exercise this option must be given one (1) year in advance and must represent the employee's good faith intent to retire; under no circumstances will this option be available for more than twenty-six (26) pay periods for any one employee.

9.1.4 The City shall provide the Public Employees Retirement System (PERS) three percent (3%) at age fifty (50) retirement benefit for eligible unit members retiring on or after the effective date December 17th, 2004.

9.1.5 The City will contract with Public Employee's Retirement System to provide the ½ Widow's continuance option, known

to PERS as the '1957 Survivor Benefit' to all safety employees in the Police and Supervisory units.

- 9.1.6 The City will contract with PERS for the third level 1959 Survivors' Benefit.