



AMENDMENT TO THE CONTRACT BETWEEN CALPERS AND THE CITY OF RIVERSIDE

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BACKGROUND

- The process of enacting changes to the City's contract with CalPERS for classic Tier 1 local Fire and Police members is initiated by the adoption of a Resolution of Intention and introduction of an Ordinance.
- The contract amendment will implement the cost-sharing provisions as written in the Memoranda of Understanding with Fire and Police Safety employees



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BACKGROUND

- These changes only impact Tier 1 Employees in all the Fire and Police units
- Currently Fire and Police Units pay the following portion of the CalPers costs

Fire – Tier 1 Employees	Police – Tier 1 Employees
The employee pays 2.5% of the Employer Portion	The employee pays 3% of the Employer Portion
The City pays the employee share of 9%	The City pays the employee share of 9%



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COST SHARING PROVISIONS

Fire Personnel in Tier 1

- Effective January 2020, all Fire members in Tier 1 will pay an additional 2.5% of pensionable income for a total of 5% of the employer contribution. During upcoming fiscal year, 2020-21, employees in Tier 1 will absorb an additional 3% for a total of 8% of the employer contribution by the end of 2021.



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COST SHARING PROVISIONS CONT.

Police Personnel in Tier 1

- All Police members in Tier 1, will pay an additional portion of the employer contribution equal to 1.5% of pensionable income for a total of 4.5%. During upcoming fiscal year, 2020-21, employees in Tier 1 may absorb 1.5% per year contingent upon receiving a wage increase in excess of 2% each year; with the possibility of contributing a total of 6% of the employer contribution by January 2021.



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EFFECTIVE DATE

- The cost-sharing provisions for Fire and Police Tier 1 employees will be effective January 10, 2020 consistent with the effective date of the CalPers Contract Amendment.

Fire – Tier 1 Employees	Police – Tier 1 Employees
The City pays the employee share of 9%	The City pays the employee share of 9%
The employee pays 5% of the Employer Portion	The employee pays 4.5% of the Employer Portion



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RECOMMENDATIONS

1. Adopt a Resolution of Intention to amend the contract between CalPERS and the City of Riverside for the implementation of a cost-sharing provision of an additional 2.5% for a total of 5% for all Tier 1 Fire employees, and an additional 1.5% for a total of 4.5% for all Tier 1 Police employees; and
2. Introduce and subsequently adopt the Ordinance to amend the contract between CalPERS and the City of Riverside for the implementation of a retirement cost-sharing provision of an additional 2.5% for a total of 5% for all Tier 1 Fire employees, and an additional 1.5% for a total of 4.5% for all Tier 1 Police employees, as specified in the respective Police and Fire Units Memoranda of Understanding.

