



## AMENDMENT TO THE CONTRACT BETWEEN CALPERS AND THE CITY OF RIVERSIDE

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## BACKGROUND

- On July 2, 2024, Resolution 24136 was approved for the Unrepresented Police Management group to increase their cost-sharing provisions and begin the contract amendment process with CalPERS.
- The process of enacting Section 20516 (Cost-share) changes to the City's contract with CalPERS requires adoption of a Resolution of Intention and introduction of an Ordinance



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## BACKGROUND

- CalPERS has 2 Contribution Rates, with both Rates set by CalPERS:
  - EMPLOYER (ER) Contribution OR Cost-Sharing
  - Employee (EE) Contribution
- Prior to the Public Employees' Pension Reform Act (PEPRA) in 2013, most Agencies would pay for both the ER and EE contribution.
  - Per CalPERS Government Code Section 20636, Agencies paying for the EE contribution could adopt a Resolution to report the EE contribution as special compensation or **EPMC (Employer Paid Member Contribution)**. After 2013, EPMC was not allowed for New Members (Non-Classic), only for Classic Members.
- Post PEPRA, Agencies began shifting contribution costs to the Classic (Tier 1) members to reduce costs; however, changes for Classic members Tier 1 required the Agency to engage in Negotiations.
- As negotiated and starting in 2018, the Police and Fire employees agreed to pay the ER contribution for Classic members (Tier 1) while the City continued to pay the EE contribution
  - This action results in special compensation (**EPMC** remained) and is considered pensionable income to the employee.



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## BACKGROUND

- In FY 2016/2017 all other Non-Safety Groups (IBEW, SEIU and Unrepresented), negotiations resulted in Tier 1 employees agreeing to pay the EE contribution thus eliminating **EPMC** for these groups.
- When the Employee pays for the ER contribution (Cost-sharing) and the City pays for the EE contribution, the Employee retains the benefit of having that contribution reported as special compensation and increases their pensionable benefit.
- Personnel Impacted - Tier 1 employees in the Unrepresented Police Management Group: Police Chief and Deputy Police Chiefs
  - Currently, the employee pays 6.5% of the Employer Contribution and the City pays 9% of the Employee Contribution (EPMC)



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## **COST SHARING PROVISIONS**

As outlined in the Fringe Benefits and Salary Plan, Unrepresented Police Management employees in Tier 1 have agreed to the following CalPERS cost-sharing provisions:

- As soon as administratively possible after April 12, 2024, to pay an additional 0.5% of the Employer Contribution for a total of 7%.



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## **EFFECTIVE DATE**

The cost-sharing provisions for all Unrepresented Police Management Tier 1 employees will be effective October 25, 2024, consistent with the effective date of the CalPERS Contract Amendment.



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## RECOMMENDATION

1. Approve the Resolution of Intention to amend the contract between CalPERS and the City of Riverside to implement a cost-sharing provision for an additional 0.5% for a total of 7% for all Tier 1 Unrepresented Police Management employees.
2. Introduce and subsequently adopt the Ordinance to amend the contract between CalPERS and the City of Riverside to implement a retirement cost-sharing provision of 7% for all Tier 1 Unrepresented Police Management employees.



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