

## SIDE LETTER AGREEMENT

BETWEEN  
THE CITY OF SAN JOSE  
AND

The Association of Building, Mechanical and Electrical Inspectors (ABMEI)  
The Association of Engineers and Architects, IFPTE Local 21 (AEA)  
The Association of Legal Professionals (ALP)  
The Association of Maintenance Supervisory Personnel, IFPTE Local 21 (AMSP)  
The City Association of Management Personnel, IFPTE Local 21 (CAMP)  
The Confidential Employees' Organization, AFSCME Local 101 (CEO)  
The San Jose Fire Fighters, IAFF Local 230 (IAFF)  
The International Brotherhood of Electrical Workers, Local No. 332 (IBEW)  
The Municipal Employees' Federation, AFSCME Local 101 (MEF)  
The International Union of Operating Engineers, Local No. 3 (OE#3)  
and  
The San Jose Police Officers' Association (POA)

### CALPERS "CLASSIC" EMPLOYEES HIRED ON OR AFTER JUNE 18, 2017

#### The parties agree to the following:

*Employees eligible for Tier 1 benefits because of their eligibility as CalPERS "Classic" members at a CalPERS agency or reciprocal agency will follow the process below to establish CalPERS Reciprocity. An individual may be qualified for CalPERS "Classic" membership if they were employed at a CalPERS or reciprocal agency before January 1, 2013 and were hired by the City of San Jose with less than a six (6) month break in service and did NOT have concurrent service (overlapping service). This will apply to new employees hired after June 18, 2017.*

- (1) All new employees to the City will be required to complete the CalPERS "Classic" Eligibility Form regardless of their previous employment at a CalPERS or reciprocal agency. This form will be provided during the benefits enrollment portion of the New Employee Welcome and should be completed and provided to the Office of Retirement Services staff member during the New Employee Welcome. New employees will also be provided with the Reciprocity Election Form to be returned to Retirement Services. Retirement Services will begin the process to verify reciprocity at the time when all forms have been received.*
- (2) Employees will only have thirty (30) calendar days from their entry date into a classification that qualifies for retirement benefits to submit the verification documentation to Retirement Services. If an employee fails to submit the required documentation within that timeframe, they will not be eligible for the Tier 1 benefit and they waive their right to go into the Tier 1 Retirement System.*
- (3) Employees claiming Tier 1 eligibility will be placed into Tier 1 retirement plan for either the Police and Fire Department Retirement Plan or the Federated City Employees' Retirement System on a temporary status until the verification of reciprocal service through CalPERS. At this time, the employee will be informed that this process may take several months.*
- (4) In the event that it is found that the employee does not have CalPERS "Classic" Membership and is not eligible for Tier 1 benefits at the City of San Jose, Retirement Services will make an adjustment to move the employee into the Tier 2 retirement plan for either the Police and Fire Department Retirement Plan or the Federated City Employees' Retirement System effective on the first day of the following pay period. The employee will be responsible for any adjustments to contribution rates, including any unfunded liability, as a result of this change.*

- (5) *Retirement Services will calculate the difference in employee and employer contribution rates from Tier 1 to Tier 2 from date of hire to date of adjustment, if necessary. Retirement Services will create an invoice for the employer contribution and submit this to Finance for remittance.*
- (6) *Retirement Services will send a notice to the employee confirming CalPERS Reciprocity. If the employee needs to be moved from Tier 1 to Tier 2, this notice will include the calculation of contribution due, including any unfunded liability as a result of this change. Retirement Services will notify payroll to deduct the contribution amount in increments over a six-month period from the employee's paycheck. If an employee wishes to pay in a lump sum or over a different time period, they may contact the Finance Department to contract for a payment plan.*
- (7) *At such time that the Tier 2 Contribution Rate becomes lower than the Tier 1 Contribution Rate, the same process as outlined above will be followed with the exception that the employee will be placed into Tier 2 while awaiting CalPERS Reciprocity verification.*
- (8) *CalPERS “Classic” members will not be eligible for the Retiree Healthcare Defined Benefit plan. CalPERS “Classic” members will be placed into the VEBA once implemented.*

This Side Letter Agreement shall become effective when signed by all the parties below.

For the City:

Jennifer Schembri 8/10/17  
Date  
Director of Employee Relations

Cheryl Parkman 8-10-17  
Date  
Senior Executive Analyst

For the Unions:

Gregg Adam  
Date  
Legal Counsel, POA

Charles Allen 6-15-17  
Date  
AFSCME Local 101

Mary Blanco 6/28/17  
Date  
OE#3

Kara Capaldo 6-16-17  
Date  
President, CAMP

Steve Contreras 6/21/17  
Date  
President, AMSP

Frank Crusco 6-21-17  
Date  
Chief Steward, IBEW

Robyn Zamora 6/15/17  
Date  
President, MEF

Peter Fenerin 6/21/17  
Date  
President, ABMEI

Sean Kaldor 6/15/17  
Date  
President, IAFF

Paul Kelly 6/19/17  
Date  
President, POA

Steve Pagan 6-21-17  
Date  
President, AEA

Christopher Platten 6/21/17  
Date  
Legal Counsel

Tom Saggau  
Date  
Labor Consultant

Sean Stalbaum 6/16/2017  
Date  
IFPTE Local 21

Elizabeth Klotz 6/16/17  
Date  
ALP

Sal Ventura 6/16/17  
Date  
IBEW

LaVerne Washington 6/21/17  
Date  
President, CEO