

SIDE LETTER AGREEMENT REGARDING OPTIONAL BENEFITS WITH CALPERS

AGREEMENT BETWEEN THE CITY OF OAKLAND AND THE SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 1021

The City of Oakland (City) and SEIU, Local 1021 enter into the following Side Letter agreement regarding optional service credits for CalPERS members:

1. The 2013-2015 Memorandum of Understanding (MOU), Article 6.2 contained two provisions on "Military Service Credited As Public Service" and "Public Service Credit for Peace Corps, Americorps VISTA, or Americorps Service." (Attachment A.)
2. In early 2015, the Parties entered into successor negotiations for the MOU that expired on June 20, 2015.
3. As part of those negotiations, the City passed a proposal (and revised proposals) amending Article 6 that sets forth the retirement benefits for CalPERS members. The intent of the proposal was to set out the benefits available to Tier 3 "PEPRA" members. (See Attachment B.)
4. The City did not pass a proposal or intend to delete Article 6.2 set forth in the 2013-2015 MOU. SEIU, Local 1021 did not agree to delete Article 6.2. The Tentative Agreement signed by SEIU, Local 1021 and the City did not identify the deletion of Article 6.2. (Attachment C.) However, the 2015-2017 and 2017-2019 MOUs do not contain the Military Service Credited As Public Service" and "Public Service Credit for Peace Corps, Americorps VISTA, or Americorps Service." The deletion of this language was an unintended error that was not discovered until September 2019 as the parties negotiated a successor MOU.
5. As a result, the City and SEIU, Local 1021 agree to the following:

6.1.7 Optional Benefits

Under the Public Employees' Retirement System, the City shall provide the following optional benefits:

6.1.7.1 Military Service Credited As Public Service

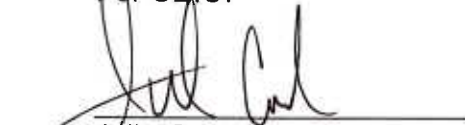
Up to four (4) years of military service can be granted for time during which a unit member served continuously with the active armed forces or the Merchant Marines including any period of rehabilitation, plus six (6) months thereafter. The unit member is required to contribute employee and employer contributions except that service rendered prior to September 1, 1970, may be granted at no cost to the unit member.

6.1.7.2 Public Service Credit for Peace Corps, Americorps VISTA, or Americorps Service

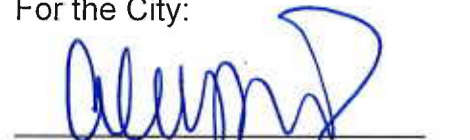
Represented employees may elect to purchase up to three (3) years of service credit for any volunteer service in the Peace Corps, Americorps VISTA (Volunteers In Service To America), or Americorps. (Government Code Section 21023.5.) The represented employee is required to contribute employee and employer contributions. Represented employees may obtain cost information by contacting CalPERS Member Services Division. Final determination of benefit eligibility shall be made by CalPERS.

SO AGREED.

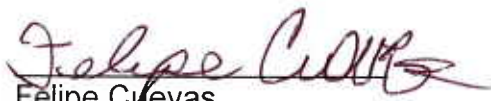
For SEIU:


Julio Corral
Representative
SEIU, Local 1021

For the City:


Allyson E. Cook

Assistant Director -
Human Resources Management


Felipe Cuevas
Chapter President
SEIU, Local 1021
Adam Benson
Director – Finance Department
Michael Pandolfo
SEIU, Local 1021

MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF OAKLAND
AND
SERVICE EMPLOYEES INTERNATIONAL
UNION (SEIU), LOCAL 1021



July 1, 2013 through June 30, 2015

6.2 Optional Benefits

Under the Public Employees' Retirement System, the City shall provide the following optional benefits:

6.2.1 Military Service Credited As Public Service

Up to four (4) years of military service can be granted for time during which a unit member served continuously with the active armed forces or the Merchant Marines including any period of rehabilitation, plus six (6) months thereafter. The unit member is required to contribute employee and employer contributions except that service rendered prior to September 1, 1970, may be granted at no cost to the unit member.

6.2.2 Public Service Credit for Peace Corps, Americorps VISTA, or Americorps Service

Represented employees may elect to purchase up to three (3) years of service credit for any volunteer service in the Peace Corps, Americorps VISTA (Volunteers In Service To America), or Americorps. (Government Code Section 21023.5.) The represented employee is required to contribute employee and employer contributions. Represented employees may obtain cost information by contacting CalPERS Member Services Division. Final determination of benefit eligibility shall be made by CalPERS.

6.2.3 Final Compensation

A unit member's retirement allowance is based on the twelve (12) highest paid consecutive months under the plan. (Government Code Section 20042.) This One Year Final Compensation optional benefit shall only apply to represented employees hired up to 90 days after the adoption of this Memorandum of Understanding.

Second Tier: Employees hired 90 days after adoption of this Memorandum of Understanding shall be subject to final compensation in accordance with Government Code Section 20037 which means the highest average annual compensation earnable by a member during the three consecutive years of employment immediately preceding the effective date of his or her retirement.

6.2.4 Post Retirement Survivor Allowance

Upon death after retirement, an allowance shall be continued to the surviving spouse or domestic partner. A "surviving spouse or domestic partner" means for service retirements, a husband or wife who was married to or a domestic partner who was registered as a domestic partner with the unit member at least one year prior to the unit member's

City of Oakland to SEIU Local 1021
Article 6
Proposal #1
05-20-2015

Passed to SEIU 5-20-20 5
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ARTICLE 6: RETIREMENT

6.1 Retirement Contributions

6.1.1 2.7% At 55

The City agrees to continue to contract with the Public Employees' Retirement System (PERS) to provide the 2.7% at 55 retirement plan for each active unit member, except as provided below for second tier employees, and third tier. The City shall make the employer contribution to PERS for each unit member, except as specifically stated in this section. The City shall pay for any increase in the employer rate and shall retain any savings from a decrease in the employer rate and for contribution credits (rebates) from PERS.

6.1.1.1 PERS Contribution

Each unit member shall pay the full member contribution to PERS equal to eight-nine percent (89%) of the compensation paid the member for service rendered, with state and federal income tax on the PERS members contribution deferred to the extent permitted by Internal Revenue Code, 26 USC Section 414(h)(2).

6.1.2 2.5% At 55 Second Tier Employees

The City shall amend its contract with PERS to provide new Unit Members hired ninety (90) days after the adoption of this Memorandum of Understanding, the 2.5% at 55 retirement plan. The City shall make the employer contribution to PERS for each unit member. Except as specifically stated in this Section, the City shall pay for any increase in the employer rate and shall retain any savings from a decrease in the employer rate and for contribution credits (rebates) from PERS.

6.1.2.1 PERS Contribution

Each unit member shall pay the full member contribution to PERS equal to eight-nine percent (89%) of the compensation paid the member for service rendered, with state and federal income tax on the PERS members contribution deferred to the extent permitted by Internal Revenue Code, 26 USC Section 414(h)(2).

2.0% At 62 – Third Tier Employees

For eligible employees hired on or after January 1, 2013, the City agrees to continue to contract with the Public Employees' Retirement System (PERS) to provide the employees to receive the 2.0% at 62 retirement plan. The City shall make the employer contribution to PERS for each unit member. Except as specifically stated in this Section, the City shall pay for any increase in the employer rate and shall retain any savings from a decrease in employer rate and for contribution credits (rebates) from PERS.

PERS Contribution

All represented members hired on or after January 1, 2013, shall pay, through payroll deductions, fifty percent (50%) of the normal cost. For the term of this agreement, employees will pay nine percent (9%) of the compensation paid the member for service rendered, with state and federal income tax on the PERS members contribution deferred to the extent permitted by Internal Revenue Code, 26 USC Section 414(h)(2).

6.1.3 Premium Pays Reported To CalPERS

The premium pays listed in Appendix D, Premium Pay Reported To CalPERS, shall be reported to CalPERS as compensation. Appendix D, Premium Pay Report To CalPERS, is attached to and incorporated into this Agreement.

6.2 Optional Benefits

Under the Public Employees' Retirement System, the City shall provide the following optional benefits:

6.2.1 Military Service Credited As Public Service

Up to four (4) years of military service can be granted for time during which a unit member served continuously with the active armed forces or the Merchant Marines including any period of rehabilitation, plus six (6) months thereafter. The unit member is required to contribute employee and employer contributions except that service rendered prior to September 1, 1970, may be granted at no cost to the unit member.

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Second Tier: Employees hired 90 days after adoption of this Memorandum of Understanding shall be subject to final compensation in accordance with Government Code Section 20037 which means the highest average annual compensation earnable by a member during the three consecutive years of employment immediately preceding the effective date of his or her retirement.

Third Tier: As required by Government Code Section 7522.25, effective January 1, 2013, for the purpose of determining a retirement benefit, final compensation shall be based on the average of three (3) consecutive years prior to retirement date.

6.2.4 Post Retirement Survivor Allowance

Upon death after retirement, an allowance shall be continued to the surviving spouse or domestic partner. A "surviving spouse or domestic partner" means for service retirements, a husband or wife who was married to or a domestic partner who was registered as a domestic partner with the unit member at least one year prior to the unit member's retirement and continuously to the date of the retired member's death. The unit member's survivor receives one-half the amount of the retired unit member's unmodified all allowance based on service not subject to the

modification for Social Security (Government Code Sections 21624, 21626 and 21628).

6.2.5 Post-Retirement Survivor Allowance To Continue After Remarriage

If a surviving spouse remarries on or after January 1, 1985, the one-half survivor continuance allowance will not cease. (Government Code Sections 21635)

*Passed to SEIU
7-14-2015*

ARTICLE 6: RETIREMENT

6.1 Retirement Benefits

6.1.1 Tier One: 2.7% At 55 Retirement Plan – Unit Members Hired Prior to June 8, 2012

This Section 6.1.1.(including subsections) shall apply to bargaining unit members hired prior to June 8, 2012.

6.1.1.1 2.7% at 55 Retirement Plan

The 2.7% at 55 retirement plan will be available to eligible bargaining unit members covered by this Section 6.1.1.

6.1.1.2 PERS Contribution

Each unit member shall pay the full member contribution to PERS equal to eight percent (8%) of the compensation paid the member for service rendered, with state and federal income tax on the PERS members contribution deferred to the extent permitted by Internal Revenue Code, 26 USC Section 414(h)(2).

6.1.1.3 Final Compensation

For the purposes of determining a retirement benefit, final compensation for bargaining unit members covered by this Section 6.1.1 shall mean the highest twelve (12) consecutive month period as specified in Government Code Section 20042.

6.1.2 Tier Two: 2.5% At 55 Retirement Plan - Unit Members Hired On or After June 8, 2012, But Before January 1, 2013, and Classic Members as Determined by CalPERS

This Section 6.1.2.(including subsections) shall apply to bargaining unit members hired on or after June 8, 2012, but before January 1, 2013. In addition, this Section 6.1.2 shall apply to bargaining unit members hired on or after January 1, 2013, who are qualified for pension reciprocity as stated in Government Code Section 7522.02(c) and related CalPERS reciprocity (Classic Member) requirements.

6.1.2.1 2.5% at 55 Retirement Plan

The 2.5% at 55 retirement plan will be available to eligible bargaining unit members covered by this Section 6.1.2.

6.1.2.2 PERS Contribution

Each unit member shall pay the full member contribution to PERS equal to eight percent (8%) of the compensation paid the member for service rendered, with state and federal income tax on the PERS members contribution deferred to the extent permitted by Internal Revenue Code, 26 USC Section 414(h)(2).

6.1.2.3 Final Compensation

For the purposes of determining a retirement benefit, final compensation for bargaining unit members covered by this Section 6.1.2 shall mean the highest average annual compensation earnable by a member during the three (3) consecutive years of employment as specified in Government Code 20037.

6.1.3 Tier Three: 2.0% At 62 Retirement Plan - Unit Members Hired On or After January 1, 2013

This Section 6.1.3 (including subsections) shall apply to bargaining unit members who were hired on or after January 1, 2013, and who do not qualify for pension reciprocity (not a Classic Member) as stated in Government Code Section 7522.02(c).

6.1.3.1 2.0% at 62 Retirement Plan

The 2.0% at 62 retirement plan will be available to eligible bargaining unit members covered by this Section 6.1.3.

6.1.3.2 PERS Contribution

As required by Government Code Section 7522.30, all bargaining unit members covered by this Section 6.1.3 shall pay, through payroll deductions, fifty percent (50%) of normal costs.

6.1.3.3 Final Compensation

As required by Government Code Section 7522.25, effective January 1, 2013, for the purpose of determining a retirement benefit, final compensation for new members shall be based on

the highest annual average pensionable compensation earned during of thirty-six (36) consecutive months of service.

6.1.4 Premium Pay Report to CalPERS

The premium pay listed in Appendix D, Premium Pay Reported To CalPERS, shall be reported to CalPERS as compensation. Appendix D, Premium Pay Reported To CalPERS, is attached to and incorporated into this Agreement.

6.1.5 Post Retirement Survivor Allowance

Upon death after retirement, an allowance shall be continued to the surviving spouse or domestic partner. A "surviving spouse or domestic partner" means for service retirements, a husband or wife who was married to or a domestic partner who was registered as a domestic partner with the member at least one year prior to the member's retirement and continuously to the date of the retired member's death. The represented employee's survivor receives one-half the amount of the retired represented employee's unmodified allowance based on service not subject to the modification for Social Security. (Government Code Sections 21624, 21626 and 21628.)

6.1.6 Post Retirement Survivor Allowance

If a surviving spouse remarries on or after January 1, 1985, the one-half survivor continuance allowance will not cease. (Government Code Sections 21635)

**CITY OF OAKLAND AND SEIU LOCAL 1021
LABOR NEGOTIATIONS 2015**

TENTATIVE AGREEMENT

Article No. 6 Retirement

6.1 Retirement Contributions

6.1.1 2.7% At 55

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6.1.2.1 2.5% at 55 Retirement Plan

The 2.5% at 55 retirement plan will be available to eligible bargaining unit members covered by this Section 6.1.2.

6.1.2.2 PERS Contribution

Each unit member shall pay the full member contribution to PERS equal to eight percent (8%) of the compensation paid the member for service rendered, with state and federal income tax on the PERS members contribution deferred to the extent permitted by Internal Revenue Code, 26 USC Section 414(h)(2).

6.1.2.3 Final Compensation

For the purposes of determining a retirement benefit, final compensation for bargaining unit members covered by this Section 6.1.2 shall mean the highest average annual compensation earnable by a member during the three (3) consecutive years of employment as specified in Government Code 20037.

6.1.3 Tier Three: 2.0% At 62 Retirement Plan - Unit Members Hired On or After January 1, 2013

This Section 6.1.3 (including subsections) shall apply to bargaining unit members who were hired on or after January 1, 2013, and who do not qualify for pension reciprocity (not a Classic Member) as stated in Government Code Section 7522.02(c).

6.1.3.1 2.0% at 62 Retirement Plan

The 2.0% at 62 retirement plan will be available to eligible bargaining unit members covered by this Section 6.1.3.

6.1.3.2 PERS Contribution

As required by Government Code Section 7522.30, all bargaining unit members covered by this Section 6.1.3 shall pay, through payroll deductions, fifty percent (50%) of normal costs, **with state and federal income tax on the PERS members contribution deferred to the extent permitted by Internal Revenue Code, 26 USC Section 414(h)(2).**

6.1.3.3 Final Compensation

As required by Government Code Section **7522.32**, effective January 1, 2013, for the purpose of determining a retirement benefit, final compensation for new members shall be based on the highest annual average pensionable compensation earned during of thirty-six (36) consecutive months of service.

6.1.4 Premium Pay Report to CalPERS

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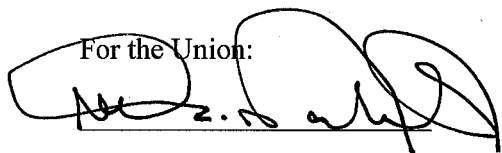
City of Oakland and SEIU Local 1021
Tentative Agreement
Article 6 – Retirement

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6.1.6 Post Retirement Survivor Allowance

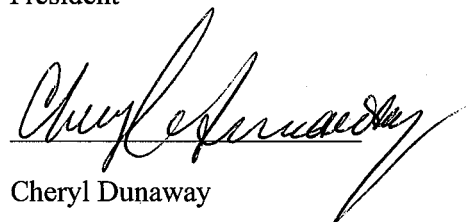
If a surviving spouse remarries on or after January 1, 1985, the one-half survivor continuance allowance will not cease. (Government Code Sections 21635)

For the Union:



Al Marshall

President



Cheryl Dunaway

1st Vice-President



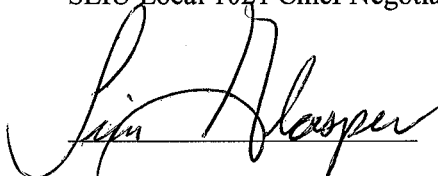
Marcus Brown

Vice-President, TPT



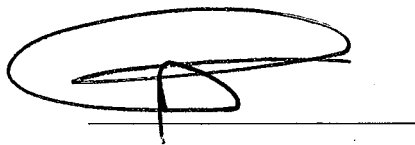
John Stead-Mendez

SEIU Local 1021 Chief Negotiator



Tim Glasper

2nd Vice-President



Michael Pandolfo

Vice-President, TPT

Donald E. Templin

Treasurer

Myra Abdul'Ali

Recording Secretary

City of Oakland and SEIU Local 1021
Tentative Agreement
Article 6 – Retirement



Jeff Haymon

Seargent-at-Arms

For the City:

Renee Mayne August 12, 2015

Renee Mayne

Employee Relations Director

Dana Puley OPR

~~B. M.~~ CAO-ER

 OPW