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6.10 Retirement Benefits and Funding

G. Employee Payment of PERS Member Contributions

1. PEPRA Member Contributions

For employees hired after January 1, 2013, members of the PEPRA Tier will contribute toward the PEPRA Tier an employee contribution in an amount equal to not less than fifty percent (50%) of the normal cost of the new tier, as determined from time to time by PERS, or the amount of the contribution provided by this MOU for members of the PEPRA Tier, whichever is greater. Such contribution will be made by payroll deduction.

2. Non-PEPRA Member Contribution

a. 2.0 at 50 Safety Tier

Employees who are subject to the pre-PEPRA safety formula described in paragraph 6.10.E above will contribute nine percent (9%) by payroll deduction.

b. 2.0 at 55 Safety Tier

Employees who are subject to the pre-PEPRA safety formula described in paragraph 6.10.F above will contribute seven percent (7%) by payroll deduction.

3. Employee Payment For Pre-PEPRA Formula Enhancement

In December 2003, the County amended its contract with PERS to provide for the above-referenced 2% @ 50 retirement formula. The cost of this benefit was established by PERS (\$12, 842,782). The Parties agreed that such cost would be the responsibility of the employees. The county agreed to allow the employees to pay for that plan enhancement by payroll deduction with the cost amortized over twenty (20) years. That payment will continue to take the form of a percentage deduction made from the paycheck of each employee in the unit hired prior to May 4, 2012 until no later than the last pay check of December 2023 ~~the above established cost has been recovered.~~ Each year (July) the County will calculate the amount due for the fiscal year, based on the formula presented during negotiations (see **appendix D**). The maximum deduction will be five percent (5.0%).

4. Employee Payment of Employer Contributions

Effective September 28, 2014, the parties agree to equally share in PERS employer rate increases for employer rate costs between 16%-

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18%. The maximum employee contribution shall not exceed one percent (1%). This provision shall sunset on January 1, 2017.

5. Pre-Tax Treatment PERS Member Contributions

To the extent permitted by applicable law, employee contributions toward the Employee's PERS contributions made pursuant to this MOU will be deducted on a pre-tax basis pursuant to and in accordance with section 414(h)(2) of the Internal Revenue Code.

For the County
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Agmt.

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For SCGCA