

SIDE LETTER AGREEMENT
between the Cosumnes Community Services District (CSD)
and
the Management Employees Organization (MEO)
Amending the following terms of the October 1, 2013- June 30, 2017 Contract Between the
Parties

The contract language change shown below through strikeouts and highlighting of new language represents an agreement reached following ratification and approval.

Article 8 Benefits

8.2 Retirement Benefits

8.2.1 PERS Contract

Retirement benefits shall be provided to eligible employees in accordance with the appropriate, then existing, contract between the District and the Public Employees Retirement System (PERS).

The use of terms "classic member" and "new member" shall be as defined by CalPERS and the Public Employee Pension Reform Act of 2013 (PEPRA).

"Classic members" are those members who entered into membership with a retirement system on or before December 31, 2012 who do not meet the definition of "new member" in Government Code section 7522.04(f).

A "new member" is defined in Government Code section 7522.04(f) as any of the following:

1. An individual who becomes a member of any public retirement system for the first time on or after January 1, 2013, and has no prior membership in any other public retirement system; or
2. An individual who becomes a member of any public retirement system for the first time on or after January 1, 2013, and is not eligible for reciprocity with another public retirement system; or
3. An individual who established prior membership in a retirement system and after a break in service of more than six months, returns to active membership in that system with a new employer.

The District's contract with PERS shall include:

- Unit members who meet the CalPERS definition of "classic member":

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- ~~1959 Survivor Program including Section 21574 Fourth Level of 1959 Survivor Benefits~~
- One Year Final Compensation ~~(Section 20024)~~
- Sick Leave Conversion to Years of Service). Refer to Appendix A Section D(e) for example. ~~(Section 20965)~~
- 3% at 50 retirement formula
- Employees shall pay monthly, on a pre-tax basis, through payroll deduction, Three Percent (3%) of the Employer Contribution Rate (Cost Sharing).
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- Unit members who meet the CalPERS definition of "new member":
 - ~~Three-Year Final Compensation~~
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 - Sick Leave Conversion to Years of Service, Refer to Appendix A Section D(e) for example.
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 - 2.7% at 57 retirement formula
- All Unit Members
 - 1959 Survivor Program, including Fourth Level 1959 Survivor Benefits.
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 - Pre-Retirement Option 2W Death Benefit. As soon as administratively possible the District shall revise its contract with CalPERS to include the optional benefit known as Pre-Retirement Option 2W Death Benefit. Employees shall pay for the cost of this additional optional benefit through payroll deduction each month
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- The District shall provide an additional, limited term life insurance benefit for those MEO members aged 45 or older upon implementation of the Pre-Retirement Option 2W benefit. The intent of this new benefit is to cover the gap created by the vesting requirement in the Pre-Retirement Option 2W optional benefit. The coverage shall be individual, not group and the District will discontinue paying for this additional coverage when the employees become vested under Option 2W. Employees may choose to maintain the extra insurance themselves on an individual basis.
- Alternative Death Benefit for MEO Fire Members credited with 20 or more years of service. As soon as administratively possible the District shall revise its contract with CalPERS to include the optional benefit known as Alternative Death Benefit for MEO Fire Members. The District shall pay the cost of this additional optional benefit.

8.2.2 Employee Contribution

A. Unit members who meet the CalPERS definition of "classic member":

Effective March 1, 2016:

- Unit members shall pay 3% of the PERS Retirement Employer Contribution (Cost Sharing),
- Unit Members shall pay nine percent (9%) toward the PERS Retirement Employee Member Contribution.

Unit members shall pay these monthly contributions, on a pre-tax basis, through payroll deduction.

The three percent (3%) Employer Contribution (Cost Sharing) shall be paid and reported to CalPERS as outlined above soon as documents are prepared and approved by PERS and the Cosumnes Community Services District Board of Directors.

B. Unit members who meet the CalPERS definition of "new member":

- Shall pay the contribution rate determined by PERS as half of the "normal costs" (as defined in PEPR).

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- Members agree to cost sharing of an additional five percent (5%), for a total of an eight percent (8%), contribution toward the employer contribution rate. ¶

Effective October 1, 2014: ¶

- Members shall pay six percent (6%) of the employee member contribution. ¶
- The District shall pay the three percent (3%) of the employees' member contribution (EPMC). ¶

Effective October 1, 2015: ¶

- Members shall pay an additional three percent (3%) of the employees' member contribution. ¶
- 3% of the employee paid cost sharing contribution shall be converted to the employee member contribution, for a total of twelve percent (12%) toward the Employee Member Contribution and five (5%) toward the Employer Cost Sharing. ¶

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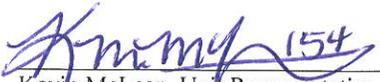
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- Shall be notified of the monthly contribution rate for the following fiscal year in the first quarter of each calendar year.

DATED: 3/11/14


Kevin McLean, Unit Representative
FOR THE MANAGEMENT EMPLOYEE
ORGANIZATION (MEO)

DATED: 3/14/16


Tracey Hansen, Fire Chief
FOR THE COSUMNES COMMUNITY
SERVICES DISTRICT