

SIDE LETTER OF AGREEMENT

BETWEEN

CITY OF MANHATTAN BEACH

AND

THE MANHATTAN BEACH POLICE MANAGEMENT ASSOCIATION

This Side Letter of Agreement ("Agreement") between the City of Manhattan Beach ("City") and the Manhattan Beach Police Management Association ("PMA") (collectively "Parties") is entered into with respect to the following:

WHEREAS, the City and the PMA entered into a Memorandum of Understanding ("MOU") with the term of January 1, 2016 through December 31, 2018; and

WHEREAS, the MOU provides that employees will pay the nine percent member contribution and an additional three percent retirement contribution as cost sharing pursuant to Government Code section 20516(f); and

WHEREAS, the parties desire to update the MOU language to reflect that the City will take necessary steps to amend its CalPERS contract in accordance with Government Code section 20516(a); and

WHEREAS, the parties wish to modify Chapter 3, Article 11, paragraph 1, subsection "c"; and paragraph 2, subsection "c"; and

NOW THEREFORE, the parties agree as follows:

Chapter 3, Article 11, paragraph 1, subsection "c" and paragraph 2, subsection "c"; are modified as can be seen with track changes below as follows:

ARTICLE 11: RETIREMENT

1.

(c) Employees shall pay the nine percent (9%) member contribution. Employees shall also pay an additional three percent (3%) retirement contribution as cost sharing pursuant to Government Code section 20516(f). The parties agree that as soon after May 1, 2016 as administratively possible, the City shall follow steps which are necessary to amend its CalPERS contract to provide cost sharing in accordance with Government Code section 20516(a). In accordance with IRS Code section 414(h)(2), the cost sharing will then be treated as a pre-tax deduction.

2.

- (c) Employee Paid Retirement Contribution: Such employees shall pay the higher of twelve percent (12%) or one half the total normal cost rate. Any amount of such employee's retirement contribution which is above the total normal cost rate (i.e., if the half the normal cost rate goes below 12%) shall be paid in accordance with Government Code section 20516(f). The parties agree that as soon after May 1, 2016 as administratively possible, the City shall follow steps which are necessary to amend its CalPERS contract to provide cost sharing in accordance with Government Code section 20516(a). In accordance with IRS Code section 414(h)(2), the cost sharing will then be treated as a pre-tax deduction.

FOR THE CITY OF MANHATTAN BEACH

Mark Danaj
City Manager

Date

FOR THE MANHATTAN BEACH POLICE MANAGEMENT ASSOCIATION



Steve Tobias
President, MBPMA

5-15-14

Date