Side Letter

City of Lincoln

Lincoln Police Officers Association

The following agreed upon article shall replace Article V, Section 5.8 Retirement Contribution of the current Memorandum of Understanding between the City of Lincoln and the Lincoln Police Officers Association.

5.8 RETIREMENT CONTRIBUTION

(a) The City will pay the employer's share of the PERS retirement formula, except as modified by the below agreed upon language, and the employees will pay the employees' normal member contribution rate, except as modified by the below agreed upon language of the applicable PERS retirement formula for Public Safety Employees.

Effective the first day of the payroll period after the effective date of the amendment to contract with PERS, Public Safety Employees shall begin paying an additional three percent (3%) above the normal member contribution rate towards the employer's contribution to PERS. This payment shall be done on a pretax basis in accordance with IRS Code 414(2).

(b) Lincoln Police Officers Association represents Miscellaneous Employees (Non-Sworn) and Sworn Employees. The retirement formulas for Miscellaneous Employees and Sworn Employees are stated below.

Miscellaneous

1. Tier 1 has a formula of 2.7% at 55 with the employee paying the normal member contribution currently at 8%. This formula pertains to employees who were employed by the City of Lincoln prior to February 11, 2011.
2.
   a. **Miscellaneous Tier 1 Classic Member Employee Contribution**
   Effective the pay period following a successful CalPERS cost share contract amendment, Miscellaneous Tier 1 employees shall pay a combined total of eleven percent (11%) (8% employee contribution plus 3% employer contribution) toward CalPERS retirement. The 3% shall be paid as a cost share via CalPERS contract amendment pursuant to Government Code Section 20516 (a).

3. Tier 2 has a formula of 2% at 60 with the employee paying the normal member contribution currently at 7%. This formula pertains to employees who became employed by the City of Lincoln from February 11, 2011 through December 31, 2012, or are considered a classic CalPERS member (left a CalPERS service agency within 6 months of working for the City of Lincoln).
4.
   a. **Miscellaneous Tier 2 Classic Member Employee Contribution**
      Effective the pay period following a successful CalPERS cost share contract amendment, Miscellaneous Tier 2 employees shall pay a combined total of ten percent (10%) (7% employee contribution plus 3% employer contribution) toward CalPERS retirement. The 3% shall be paid as a cost share via CalPERS contract amendment pursuant to Government Code Section 20516 (a).

5. PEPRA has a formula of 2% at 62 with the employee paying the normal member contribution currently at 6.25%. This formula pertains to employees who became employed by the City of Lincoln on or after January 1, 2013, and are not considered a classic CalPERS member.
6.
   a. **Miscellaneous New Member Employee Contribution**
      Effective the pay period following a successful CalPERS cost share contract amendment, Miscellaneous safety employees shall pay a combined total of at least 50% of Total Normal Cost (Section 7522.30) plus 3% of the employer contribution toward CalPERS retirement. The 3% shall be paid as a cost share via CalPERS contract amendment pursuant to Government Code Section 20516 (a). The total normal cost contribution is recalculated each year by the CalPERS actuarial study.

Sworn

1. Tier 1 has a formula of 3% at 50 with the employee paying the normal member contribution currently at 9%. This formula pertains to employees who were employed by the City of Lincoln prior to January 1, 2013.
2.
   a. **Sworn Safety Classic Member Employee Contribution**
      Effective the pay period following a successful CalPERS cost share contract amendment, safety employees shall pay a combined total of twelve percent (12%) (9% employee contribution plus 3% employer contribution) toward CalPERS retirement. The 3% shall be paid as a cost share via CalPERS contract amendment pursuant to Government Code Section 20516 (a).

3. PEPRA has a formula of 2.7% at 57 with the employee paying the normal member contribution currently at 11.5%. This formula pertains to employees who became employed by the City of Lincoln on or after January 1, 2013, and are not considered a classic CalPERS member.

   a. **Sworn Safety New Member Employee Contribution**

Effective the pay period following a successful CalPERS cost share contract amendment, safety employees shall pay a combined total of at least 50% of Total Normal Cost (Section 7522.30) plus 3% of the employer contribution toward CalPERS retirement. The 3% shall be paid as a cost share via CalPERS contract amendment pursuant to Government Code Section 20516 (a). The total normal cost contribution is recalculated each year by the CalPERS actuarial study.

For the City of Lincoln

City Manager

Date:

For the LPOA

Date: 05/16/2016