

AGREEMENT BETWEEN THE CITY OF RIALTO
AND
THE RIALTO CITY GOVERNMENT MANAGEMENT ASSOCIATION

Pursuant to the provisions of the Meyers-Milias-Brown Act ("MMBA"), this Agreement ("Agreement") is entered into on July 14, 2021, between the City of Rialto ("City") and the Rialto City Government Management Association ("CGMA"). The specific provisions contained in this Agreement shall supersede any conflicting prior oral or written agreements, regarding the matters contained in this Agreement.

The Public Employee Retirement System ("PERS") contract states: "the portion of the employer's contribution that the member agrees to contribute from his or her compensation, over and above the member's normal contribution ("cost sharing percentage"), shall not exceed the Employer Normal Cost Rate, as that rate is defined in the CalPERS Actuarial Valuation for the relevant fiscal year. If the Cost Sharing Percentage will exceed the relevant Employer Normal Cost Rate, the Cost Sharing Percentage shall automatically be reduced to an amount equal to, and not to exceed, the Employer-Normal Cost Rate for the relevant fiscal year."

As of July 1, 2020, the required Public Employees' Pension Reform Act ("PEPRA") non-sworn member contribution rate increased from six and three quarters percent (6.75%) to seven and one -quarter percent (7.25%) thereby reducing the cost sharing percentage rate from one and one-quarter percent (1.25%) to three-quarters percent (0.75%). As such, the cost sharing rate for the CGMA members will decrease from one and one-quarter percent (1.25%) to three-quarters of a percent (0.75%) effective June 21, 2020.

The City Manager and the CGMA have met and conferred in good faith concerning the terms and conditions of this Agreement and its implementation and now therefore agree to the following:

"All miscellaneous employees who are not "new members" (as defined in Government Code Section 7522.04(f), or its successor), will pay eight percent (8%) of their salary towards the employer's share of PERS contribution. All public safety employees who are not new members will pay twelve (12%) of their salary towards the employee's share of PERS contributions.

Employees who are new members, as defined above (reference Government Code Section 7522.04, subdivision (f), or its successor), hired by the City prior and after July 1, 2013 and considered PEPRA by definition of PERS shall be required to pay fifty percent (50%) of the expected normal cost rate for their benefits. This amount is seven and one-quarter percent (7.25%) of their salary

towards the Public Employee's Retirement System (PERS) costs. These New Members agree to pay three quarters of a percent (0.75%) percent additional employer-side cost sharing above the minimum employee required contribution. Public safety employees who are new members will also pay twelve percent (12%) of their salary towards PERS but must pay all of the required employee contribution and any remaining amount will be credited to the employer's share.

Following any required contract amendments with PERS, contributions made by bargaining unit members described above that are towards the employer's share shall be in accordance with IRS Code Section 414(h)(2) (or its successor) whereby employee contributions to the employer's share of PERS are tax deferred (not subject to taxation until time of constructive receipt) so long as allowed by applicable law."

Provisions under PEPPRA provide varying employee contribution rates by bargaining unit, classifications, or benefit factor within a cost share agreement. Effective the payroll period including July 1, 2020, or as soon thereafter as is reasonably possible, the City shall take action to amend its contract with PERS to provide for a Government Code Section 20516(a) authorized cost sharing by miscellaneous member in an amount that equals a total of eight percent (8%) employee contribution. For miscellaneous employees classified as PEPPRA within the CGMA unit, the 20516(a) cost share contribution shall be three-quarters of a percent (0.75%) of compensation earned. The cost sharing contribution shall be treated as normal member PERS contributions to the extent perceived by statute.

CITY OF RIALTO

Marcus Fuller
City Manager

Date

CITY GOVERNMENT MANAGEMENT ASSOCIATION

Sean Grayson

Date