

**UNIT 14-CORRECTIONAL SUPERVISORS
NEGOTIATIONS 2022**

PROPOSAL #9

SUBMITTED: 5-3-2022

MOU SECTION/ISSUE: 6.10 (G)(3) – Employee Payment Pre-PEPRA Formula Enhancement

PROPOSAL:

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 January 1, 2013 until ~~the above established cost has been recovered.~~ ***December 2023. Beginning the first full pay period in January 2024, “Classic” members will no longer make this additional contribution.*** Each year (July) the County will ***continue to*** calculate the amount due for that fiscal year, based on the formula presented during negotiations (see **Appendix D**). The maximum deduction will be five percent (5.0%).

The rationale for this proposal is there has a been a substantive change in conditions, due to the passage of PEPRA in 2012. When the County and employees originally entered into this agreement, neither party contemplated a new pension tier. It was envisioned that the “pool” of employees in what is now the “Classic” tier would remain relatively unchanged. However, PEPRA legislation caused the “Classic” pool to become a closed and ever shrinking pool. This puts an unfair and unforeseen burden on the members who remain in the “Classic” pool. Those shrinking number of members could continue to bear this burden indefinitely.