

**City of Cupertino Revised Proposal to CEA
Distributed at the table on July13, 2016**

SECTION 7: PUBLIC EMPLOYEES RETIREMENT (PERS) CONTRIBUTION

A. For Employees hired on or before December 29, 2012 Only

For City of Cupertino employees hired by the City of Cupertino on or before December 29, 2012, the City has contracted with CalPERS for a 2.7% @55 retirement formula.

Effective in the first full pay period after CEA ratification and adoption of this MOU by the City Council, the City agrees to pay the employees' contribution rate to the California Public Employee Retirement System (CalPERS) not to exceed three quarters percent (.75%) of applicable salary and each employee agrees to pay seven and one quarter percent (7.25%) of applicable persable salary towards the employee share towards CalPERS pension contribution.

Effective in the first full pay period in July 2017, each employee in the 2.7% at 55 Classic formula shall pay the full eight percent (8.0%) of applicable persable salary towards the full employee share of CalPERS pension contribution.

~~Effective in the first full pay period after Association ratification and adoption of this MOU by the City Council, the City agrees to pay the employee's contribution rate to the California Public Employees Retirement System (CalPERS) not to exceed 4.5 % of applicable salary and each employee agrees to pay 3.5% of applicable salary.~~

~~Effective in the first full pay period in July 2014, the City agrees to pay the employee's contribution rate to the California Public Employees Retirement System (CalPERS) not to exceed 3.0 % of applicable salary and each employee agrees to pay 5.0% of applicable salary. Effective in the first full pay period in July 2015, the City agrees to pay the employee's contribution rate to the California Public Employees Retirement System (CalPERS) not to exceed 1.75% of applicable salary and each employee agrees to pay 6.25% of applicable salary.~~

~~The City agrees to pay the employer's contribution rate to the Public Employees Retirement System to the extent required by law and the parties acknowledge that by January 1, 2018 the employees are required to pay 50% of the normal cost rate as determined by CalPERS.~~

B. For employees hired by the City of Cupertino on December 30, 2012 or on December 31, 2012 or a current CalPERS employee who qualifies as a classic member under CalPERS Regulations Only.

For employees hired by the City of Cupertino on December 30, 2012 or on December 31, 2012 or a current CalPERS employee who qualifies as a classic member under CalPERS Regulations only the City has contracted with CalPERS for a 2.0% @ 60 retirement formula based on a three year average compensation.

Effective the first full pay period after CEA ratification and adoption of this MOU by the City Council, the City shall not pay the employee's contribution share to the California Public Employees Retirement System (CalPERS) and each employee shall pay the full seven percent (7.0%) of applicable persable salary towards the employee's contribution share of CalPERS pension under this formula.

~~Effective in the first full pay period upon Association ratification and adoption of the MOU by the City Council, the City agrees to pay the employee's contribution rate to the California Public Employees Retirement System (CalPERS) not to exceed 3.5 % of applicable salary and each employee agrees to pay 3.5% of applicable salary.~~

~~Effective in the first full pay period in July 2014, the City agrees to pay the employee's contribution rate to the California Public Employees Retirement System (CalPERS) not to exceed 2.0 % of applicable salary and each employee agrees to pay 5.0% of applicable salary. Effective in the first full pay period in July 2015, the City agrees to pay the employee's contribution rate to the California Public Employees Retirement System (CalPERS) not to exceed .75% of applicable salary and each employee agrees to pay 6.25% of applicable salary.~~

The City agrees to pay the employer's contribution rate to the Public Employees Retirement System to the extent required by law and the parties acknowledge that by January 1, 2018 the employees are required to pay 50% of the normal cost rate as determined by CalPERS.

C. For employees hired by the City of Cupertino on ~~or~~ after January 1, 2013, or former CalPERS employees that do not qualify as Classic employees hired by the City of Cupertino on or after January 1, 2013 Only

For employees hired by the City of Cupertino on or after January 1, 2013, CalPERS has by statute implemented a 2% @ 62 formula based on a three year average compensation. Employees in this category shall pay 50% of the normal cost rate as determined by CalPERS.

TA Knist *Alvaro* 9/26/2016

TA *[Signature]*
9/26/16