

**SIDE LETTER
BETWEEN
CONTRA COSTA COUNTY AND
PROFESSIONAL & TECHNICAL EMPLOYEES
AFSCME, LOCAL 512**

This Side Letter is by and between Professional & Technical Employees, AFSCME, Local 512 ("Union") and the County of Contra Costa ("County") and is effective on _____ following approval of the Board of Supervisors.

This side letter amends the Memorandum of Understanding between the County and the Union (July 1, 2016 - June 30, 2022) under Section 46 – Engineering Technician Special Issues to include an additional sub-sections (46.6) and (46.7) providing for the Engineering Technician Unit to become eligible for the Deferred Compensation Incentive option pursuant to the funds referenced in Section 55 – Non-Healthcare/Non-General Wage Re-Opener (incorporated by side letter into the MOU via Resolution No. 2018/576).

This side letter also amends Section 51 – Special Benefits to include an additional sub-section (51.G) providing for a County contribution towards active deferred compensation accounts for employees in the Social Service Staff Specialist Unit, Income Maintenance Unit, and Clerical Supervisory Unit, pursuant to the funds referenced in Section 55 – Non-Healthcare/Non-General Wage Re-Opener (incorporated by side letter into the MOU via Resolution No. 2018/576).

46.5 Deferred Compensation Plan – Special Benefit for Hires After January 1, 2010:

- A.** Commencing April 1, 2010, and for the duration of this Agreement, the County will contribute one hundred fifty dollars (\$150) per month to an employee's account in the Contra Costa County Deferred Compensation Plan or other designated tax qualified savings vehicle, for employees who meet all of the following qualifications:
- a) The employee was first hired by Contra Costa County on or after January 1, 2010 and,
 - b) The employee is a permanent full-time or permanent part-time employee regularly scheduled to work at least twenty (20) hours per week and has been so employed for at least ninety (90) calendar days; and,
 - c) The employee defers a minimum of twenty-five dollars (\$25) per month to the Contra Costa County Deferred Compensation Plan or other designated tax qualified savings vehicle; and,
 - d) The employee has completed, signed and submitted to the Human Resources Department - Employee Benefits Service Unit, the required enrollment form for the account, e.g., the Enrollment Form 457(b).
 - e) The annual maximum contribution as defined under the relevant Internal Revenue Code provision has not been exceeded for the employee's account for the calendar year.

Employees who discontinue deferral or who defer less than the amount required by this Subsection 2 for a period of one (1) month or more will no longer be eligible

to receive the County contribution. To re-establish eligibility, employees must resume deferring the amount required by this Subsection 2.

No amount deferred by the employee or contributed by the County in accordance with this Subsection 2 will count towards the "Base Contribution Amount" or the "Monthly Base Contribution Amount for Maintaining Program Eligibility" required for the County's Deferred Compensation Incentive in Subsection 1. No amount deferred by the employee or contributed by the County in accordance with Subsection 1 will count toward the minimum required deferral required by this Subsection 2. The County's contribution amount in accordance with this Subsection 2 will be in addition to the County contribution amount for which the employee may be eligible in accordance with any other provision in this contract.

Both the employee deferral and the County contribution to the Contra Costa County Deferred Compensation Plan under this Subsection 2, as well as any amounts deferred or contributed to the Contra Costa County Deferred Compensation Plan in accordance with Subsection 1, will be added together for the purpose of ensuring that the annual Plan maximum contributions as defined under IRS Code Section 457(b), or other tax qualified designated savings vehicle, are not exceeded.

Within thirty (30) days of adoption of this MOU by the Board of Supervisors, and annually thereafter beginning in 2015, the County will provide to the Union a list of eligible employees who have not enrolled in the deferred compensation plan and will provide the Union with contact information for scheduling an appointment with the Deferred Compensation provider.

B. Deferred Compensation Plan – Loan Provision: On August 14, 2012, the Board of Supervisors adopted Resolution 2012/348 approving a side letter with the Coalition Unions to allow a Deferred Compensation Plan Loan Program effective September 1, 2012. The following is a summary of the provisions of the loan program:

1. The minimum amount of the loan is \$1,000
2. The maximum amount of the loan is the lesser of 50% of the employee's balance or \$50,000, or as otherwise provided by law.
3. The maximum amortization period of the loan is five (5) years.
4. The loan interest is fixed at the time the loan is originated and for the duration of the loan. The loan interest rate is the prime rate plus one percent (1%).
5. There is no prepayment penalty if an employee pays the balance of the loan plus any accrued interest before the original amortization period for the loan.
6. The terms of the loan may not be modified after the employee enters into the loan agreement, except as provided by law.
7. An employee may have only one loan at a time.

8. Payment for the loan is made by monthly payroll deduction.
9. An employee with a loan who is not in paid status (e.g. unpaid leave of absence) may make his/her monthly payments directly to the Plan Administrator by some means other than payroll deduction each month the employee is in an unpaid status (e.g. by a personal check or money order).
10. The Loan Administrator (Mass Mutual Life Insurance Company or its successor) charges a one-time \$50 loan initiation fee. This fee is deducted from the employee's Deferred Compensation account.
11. The County charges a one-time \$25 loan initiation fee and a monthly maintenance fee of \$1.50. These fees are paid by payroll deduction.

The County's website provides employees with the following information:

- a. Deferred Compensation Loan Provision
- b. FAQ's for the Loan Provision including loan status upon termination of employment and the consequences of defaulting on a loan
- c. Pros and Cons of borrowing from the Deferred Compensation Plan
- d. Loan Application and Agreement

46.6 2021 Additional Contribution to Deferred Compensation Plan (pursuant to the funds referenced in Section 55 – Non-Healthcare/Non-General Wage Re-Opener):

For the 2021 calendar year only, the County shall provide a monthly deferred compensation contribution to eligible employees in the Engineering Technician Unit who are enrolled in the County's deferred compensation program. Only permanent full-time or permanent part-time employees in a position designated at a minimum of twenty (20) hours per week who have been employed by the County for at least ninety (90) calendar days, will be eligible for the contribution. An employee will be considered enrolled in the County's deferred compensation program as long as they maintain a balance in such an account.

The pro-rata amount for each employee will be determined by dividing \$95,000 by the number of eligible employees across all AFSCME, Local 512 units enrolled in the County's deferred compensation program on November 10, 2021. This contribution amount will be distributed proportionately on a monthly basis, starting with the December 10, 2021 pay date.

The contribution under this subsection will be added to any existing amounts already deferred or contributed to the Contra Costa County Deferred Compensation Plan for the purpose of ensuring that the annual Plan maximum contributions as defined under IRS Code Section 457(b), or other tax qualified designated saving vehicle, are not exceeded.

46.7 Deferred Compensation Incentive – Engineering Technician Unit (pursuant to the funds referenced in Section 55 – Non-Healthcare/Non-General Wage Re-Opener):

Effective January 1, 2022, employees in the Engineering Technician Unit of AFSME, Local 512 will become eligible to participate in the Deferred Compensation Incentive plan and receive the County contribution of seventy-five (\$75.00) per month. The costs associated with adding this

new benefit, approximately \$30,000, will be deducted from the total amount of AFSCME, Local 512's re-opener allocated amount of \$95,000, beginning in the 2022 calendar year. This amount will be distributed on a monthly basis among all eligible employees starting with the February 10 pay date through the following January 10 pay date, per the conditions below.

To be eligible for this incentive supplement, eligible employees must first contribute a Base Contribution Amount to the Deferred Compensation Plan as follows:

Current Monthly Salary	Qualifying Base Contribution Amt.	Monthly Base Contribution Amt. for Maintaining Program Eligibility
2500 & below	250	50
2501 - 3334	500	50
3335 - 4167	750	50
4168 - 5000	1000	50
5001 - 5834	1500	100
5835 - 6667	2000	100
6668 & above	2500	100

Employees who meet these Base Contribution Amounts must contribute at least fifty dollars (\$50) or one hundred dollars (\$100) per month to remain eligible for the seventy-five dollars (\$75) County supplement.

For all subsequent years, the pro-rata amount for eligible employees in the Engineering Technician Unit will be approximately \$30,000 for continued participation.

Employees who discontinue contributions or who contribute less than the required amount per month for a period of one (1) month or more will no longer be eligible for the seventy-five (\$75.00) County supplement.

To reestablish eligibility, employees must again make a Base Contribution Amount as set forth above based on current monthly salary. Employees with a break in Deferred Compensation Contributions because of an approved medical leave, shall not be required to reestablish eligibility.

Employees with a break in deferred compensation contributions because of either an approved medical leave or approved financial hardship withdrawal shall not be required to re-establish eligibility. Further, employees who lose eligibility due to budgetary constraints but maintain contributions at the required level and later return to an eligible position shall not be required to re-establish eligibility.

The contribution under this subsection will be added to any existing amounts already deferred or contributed to the Contra Costa County Deferred Compensation Plan for the purpose of ensuring that the annual Plan maximum contributions as defined under IRS Code Section 457(b), or other tax qualified designated saving vehicle, are not exceeded.

SECTION 51 – SPECIAL BENEFITS

Incumbents in all classes in the Social Service Staff Specialist Unit, Income Maintenance Unit, and Clerical Supervisory Unit are eligible to receive the following benefits:

- A. **Life Insurance.** \$45,000 Group Term Life Insurance will be provided. Premiums for this insurance will be paid by the County with conditions of eligibility to be reviewed annually. Incumbents in all classes in the Property Appraiser Unit and Engineering Technician Unit shall be eligible for \$45,000 Group Term Life Insurance.
- B. **LTD.** Long-Term Disability Insurance will be provided, with a replacement limit of eighty-five percent (85%) of total monthly base earnings reduced by any deductible benefits. The premium for this Long-Term Disability Insurance will be paid by the County.
- C. **Vacation Buy Back Plan.** The County will reimburse up to one-third (1/3) of an employee's annual vacation accrual, subject to the following conditions: (a) the choice can be made only once in each calendar year; (b) payment shall be based on an hourly rate determined by dividing the employee's monthly salary by 173.33; and (c) the maximum number of hours that may be reimbursed in any year is one-third (1/3) of the annual accrual at the time of reimbursement.

Employees promoted, hired or rehired by the County into any classification represented by AFSCME 512 on and after January 1, 2012, are not eligible for the Vacation Buy-Back benefit. However, any employee who was eligible for a Vacation Buy-Back benefit before promoting into a classification represented by AFSCME 512 will retain that benefit after promoting into a classification represented by AFSCME 512.

- D. **Professional Development.** Beginning January 1, 2016, employees, including those in the Property Appraisers Unit and Engineering Technician Unit, shall be eligible for reimbursement of up to four hundred dollars (\$400) for each two year period for memberships in professional organizations, subscriptions to professional publications, attendance fees at job-related professional development activities, job-related books, electronic calendars and organizers, and soft and hardware from a standardized County approved list or with Department Head approval, provided each employee complies with the provisions of the Computer Use and Security Policy adopted by the Board of Supervisors. Authorization for individual professional development reimbursement requests shall be made by the Department Head. Reimbursement will occur through the regular demand process with demands being accompanied by proof of payment (copy of invoice or canceled check).
- E. **Paid Personal Leave.** Fifty (50) hours of paid personal leave will be provided during a calendar year. Said personal leave is provided to recognize both the fact that these employees do not and will not receive payment for overtime and the unavailability of compensatory time off for this group of employees.
- F. 1. **Deferred Compensation Incentive.** Effective January 1, 2007, the County's contribution to eligible employees who participate in the County's Deferred Compensation Plan will be seventy-five dollars (\$75.00) per month. To be eligible for this incentive supplement, eligible employees must first contribute a Base Contribution Amount to the Deferred Compensation Plan as follows:

Current

Monthly Base
Contribution Amt.

<u>Monthly Salary</u>	<u>Qualifying Base Contribution Amt</u>	<u>for Maintaining Program Eligibility</u>
2500 & below	250	50
2501 - 3334	500	50
3335 - 4167	750	50
4168 - 5000	1000	50
5001 - 5834	1500	100
5835 - 6667	2000	100
6668 & above	2500	100

Employees who meet these Base Contribution Amounts must contribute at least fifty dollars (\$50) or one hundred dollars (\$100) per month to remain eligible for the seventy-five dollars (\$75.00) County supplement. Employees who discontinue contributions or who contribute less than the required amount per month for a period of one (1) month or more will no longer be eligible for the seventy-five (\$75.00) County supplement.

To reestablish eligibility, employees must again make a Base Contribution Amount as set forth above based on current monthly salary. Employees with a break in Deferred Compensation Contributions because of an approved medical leave, shall not be required to reestablish eligibility.

Employees with a break in deferred compensation contributions because of either an approved medical leave or approved financial hardship withdrawal shall not be required to re-establish eligibility. Further, employees who lose eligibility due to budgetary constraints but maintain contributions at the required level and later return to an eligible position shall not be required to re-establish eligibility.

Eligible employees who participated in the Deferred Compensation Plan prior to May 1, 1992 but were not eligible to receive the County contribution will be given credit towards the qualifying base amount for contributions made after January 1, 1992.

2. **Deferred Compensation Plan – Special Benefit for Hires After January 1, 2010:** Commencing April 1, 2010, and for the duration of this Agreement, the County will contribute one hundred fifty dollars (\$150) per month to an employee's account in the Contra Costa County Deferred Compensation Plan or other designated tax qualified savings vehicle, for employees who meet all of the following qualifications:
 - f) The employee was first hired by Contra Costa County on or after January 1, 2010 and,
 - g) The employee is a permanent full-time or permanent part-time employee regularly scheduled to work at least twenty (20) hours per week and has been so employed for at least ninety (90) calendar days; and,
 - h) The employee defers a minimum of twenty-five dollars (\$25) per month to the Contra Costa County Deferred Compensation Plan or other designated tax qualified savings vehicle; and,

- i) The employee has completed, signed, and submitted to the Human Resources Department - Employee Benefits Service Unit, the required enrollment form for the account, e.g., the Enrollment Form 457(b).
- j) The annual maximum contribution as defined under the relevant Internal Revenue Code provision has not been exceeded for the employee's account for the calendar year.

Employees who discontinue deferral or who defer less than the amount required by this Subsection 2 for a period of one (1) month or more will no longer be eligible to receive the County contribution. To re-establish eligibility, employees must resume deferring the amount required by this Subsection 2.

No amount deferred by the employee or contributed by the County in accordance with this Subsection 2 will count towards the "Base Contribution Amount" or the "Monthly Base Contribution Amount for Maintaining Program Eligibility" required for the County's Deferred Compensation Incentive in Subsection 1. No amount deferred by the employee or contributed by the County in accordance with Subsection 1 will count toward the minimum required deferral required by this Subsection 2. The County's contribution amount in accordance with this Subsection 2 will be in addition to the County contribution amount for which the employee may be eligible in accordance with any other provision in this contract.

Both the employee deferral and the County contribution to the Contra Costa County Deferred Compensation Plan under this Subsection 2, as well as any amounts deferred or contributed to the Contra Costa County Deferred Compensation Plan in accordance with Subsection 1, will be added together for the purpose of ensuring that the annual Plan maximum contributions as defined under IRS Code Section 457(b), or other tax qualified designated savings vehicle, are not exceeded.

Within thirty (30) days of adoption of this MOU by the Board of Supervisors, and annually thereafter beginning in 2015, the County will provide to the Union a list of eligible employees who have not enrolled in the deferred compensation plan and will provide the Union with contact information for scheduling an appointment with the Deferred Compensation provider.

3. **Deferred Compensation Plan – Loan Provision:** On August 14, 2012, the Board of Supervisors adopted Resolution 2012/348 approving a side letter with the Coalition Unions to allow a Deferred Compensation Plan Loan Program effective September 1, 2012. The following is a summary of the provisions of the loan program:

- 12. The minimum amount of the loan is \$1,000
- 13. The maximum amount of the loan is the lesser of 50% of the employee's balance or \$50,000, or as otherwise provided by law.
- 14. The maximum amortization period of the loan is five (5) years.
- 15. The loan interest is fixed at the time the loan is originated and for the duration of the loan. The loan interest rate is the prime rate plus one percent (1%).

16. There is no prepayment penalty if an employee pays the balance of the loan plus any accrued interest before the original amortization period for the loan.
17. The terms of the loan may not be modified after the employee enters into the loan agreement, except as provided by law.
18. An employee may have only one loan at a time.
19. Payment for the loan is made by monthly payroll deduction.
20. An employee with a loan who is not in paid status (e.g. unpaid leave of absence) may make his/her monthly payments directly to the Plan Administrator by some means other than payroll deduction each month the employee is in an unpaid status (e.g. by a personal check or money order).
21. The Loan Administrator (Mass Mutual Life Insurance Company or its successor) charges a one-time \$50 loan initiation fee. This fee is deducted from the employee's Deferred Compensation account.
22. The County charges a one-time \$25 loan initiation fee and a monthly maintenance fee of \$1.50. These fees are paid by payroll deduction.

The County's website provides employees with the following information:

- a. Deferred Compensation Loan Provision
- b. FAQ's for the Loan Provision including loan status upon termination of employment and the consequences of defaulting on a loan
- c. Pros and Cons of borrowing from the Deferred Compensation Plan
- d. Loan Application and Agreement

G. Additional Contribution to Deferred Compensation Plan (pursuant to the funds referenced in Section 55 – Non-Healthcare/Non-General Wage Re-Opener):

The County shall provide a monthly deferred compensation contribution to eligible employees in the following AFSCME, Local 512 bargaining Units: Income Maintenance Program Unit, Social Services Staff Specialist Unit, and Supervisory Clerical Unit, who are enrolled in the County's deferred compensation program. Only permanent full-time or permanent part-time employees in a position designated at a minimum of twenty (20) hours per week who have been employed by the County for at least ninety (90) calendar days, will be eligible for the contribution. An employee will be considered enrolled in the County's deferred compensation program as long as they maintain a balance in such an account. Any newly hired employee who satisfies these requirements will also be eligible to receive this contribution on a go-forward monthly basis provided they open a deferred compensation account during the applicable year.

For the 2021 contribution only, the pro-rata amount for each employee will be determined by dividing \$95,000 by the number of eligible employees across all AFSCME, Local 512 units enrolled in the County's deferred compensation program on November 10, 2021. This contribution amount will be distributed proportionately on a monthly basis, starting with the December 10, 2021 pay date.

Beginning in 2022, the pro-rata amount for each employee will be determined by dividing \$65,000 by the number of eligible employees enrolled in the County's deferred compensation program on January 1 in the Income Maintenance Program Unit, Social Services Staff Specialist Unit, and Supervisory Clerical Unit. Individual contributions are to be distributed on a monthly basis among all eligible employees starting with the following February 10 pay date through the following January 10 pay date. The parties acknowledge that the amount of each employee's pro-rata share is subject to change from year to year as the amount will be wholly dependent on the number of employees enrolled in the deferred compensation program at the time.

For all subsequent years, the pro-rata amount for eligible employees in the Income Maintenance Program Unit, Social Services Staff Specialist Unit, and Supervisory Clerical Unit, will be approximately \$65,000 for the Additional Contribution to Deferred Compensation under this section.

For the \$65,000 contribution to employees in the Income Maintenance Program Unit, Social Services Staff Specialist Unit, and Supervisory Clerical Unit, each pro-rata amount is determined for the applicable year by dividing the allocated amount by the number of eligible employees in each unit who are enrolled in the County's deferred compensation program on January 1. Individual contributions are to be distributed on a monthly basis among all eligible employees starting with the following February 10 pay date through the following January 10 pay date. Only permanent full-time or permanent part-time employees in a position designated at a minimum of twenty (20) hours per week who have been employed by the County for at least ninety (90) calendar days, will be eligible for the contribution. An employee will be considered enrolled in the County's deferred compensation program as long as they maintain a balance in such an account. Any newly hired employee who satisfies these requirements will also be eligible to receive this contribution on a go-forward monthly basis provided they open a deferred compensation account during the applicable year. The parties acknowledge that the amount of each employee's pro-rata share is subject to change from year to year as the amount will be wholly dependent on the number of employees enrolled in the deferred compensation program at the time.

The contribution under this subsection will be added to any existing amounts already deferred or contributed to the Contra Costa County Deferred Compensation Plan for the purpose of ensuring that the annual Plan maximum contributions as defined under IRS Code Section 457(b), or other tax qualified designated saving vehicle, are not exceeded.

The terms of this Side Letter are effective in the calendar year in which the Side Letter is executed and will be incorporated into the next MOU between the County and the Union. The Parties agree that this Side Letter resolves all re-opener negotiations related to Section 55 – Non-Healthcare/Non-General Wage Re-opener for AFSCME, Local 512. Except as specifically amended or excluded by this Side Letter, all other terms and conditions of the MOU between Contra Costa County and AFSCME, Local 512 (July 1, 2016 -June 30, 2022) remain unchanged by this Side Letter.

Date: 10/27/21

Contra Costa County:
(Signature / Printed Name)

AFSCME, Local 512:
(Signature / Printed Name)

Erica Trujillo, Karen Glover
Kym Anderson