

**SIDE LETTER  
BETWEEN  
CONTRA COSTA COUNTY AND  
WESTERN COUNCIL OF ENGINEERS**

This Side Letter is by and between Western Council of Engineers ("Union") and the County of Contra Costa ("County") and is effective on 3/29/22 following approval of the Board of Supervisors.

This side letter amends the Memorandum of Understanding between the County and the Union (July 1, 2013 - June 30, 2022) under Section 5.15 – Deferred Compensation Plan to include an additional paragraph C that will provide for an additional County contribution towards active employees' deferred compensation accounts pursuant to the funds referenced in Section 49 – Non-Healthcare/Non-General Wage Re-Opener (incorporated by side letter into the MOU via Resolution No. 2018/576).

**5.15 Deferred Compensation Plan**

A. 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:

1. The employee was first hired by Contra Costa County on or after January 1, 2010 and,
2. The employee is a permanent full-time or permanent part-time employee regularly scheduled to work at least 20 hours per week and has been so employed for at least 90 calendar days; and
3. 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,
4. 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).
5. 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 provision 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 provision.

No amount deferred by the employee or contributed by the County in accordance with this provision 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 any other provision in this Agreement. No amount deferred by the employee or contributed by the County in accordance with any other provision in this Agreement will count toward the minimum required deferral required by this provision. The County's contribution amount in accordance with this provision 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 provision, as well as any amounts deferred or contributed to the Contra Costa County Deferred Compensation Plan in accordance with any other provision of this contract, 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.

B. 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 (MassMutual 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.

C. **Additional Contribution to Deferred Compensation Plan** (pursuant to the funds referenced in Section 49 – Non-Healthcare/Non-General Wage Re-Opener):

The County shall provide a monthly deferred compensation contribution to eligible employees 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.

The initial 2022 contribution will be applied on a fiscal year basis through June 30, 2022. The pro-rata amount for each employee will be determined by dividing \$10,000 by the number of eligible employees enrolled in the County's deferred compensation program on April 10, 2022. This contribution amount will be distributed proportionately on a monthly basis, starting with the May 10, 2022 pay date through the following July 10, 2022 pay date.

For the second half of the 2022 calendar year contribution only, due to the overlap of the above FY 2021-2022 contribution, the pro-rata amount for each employee will be determined by dividing \$5,000 by the number of eligible employees enrolled in the County's deferred compensation program on July 1, 2022. Individual contributions are to be distributed on a monthly basis among all eligible employees starting with the following August 10, 2022 pay date through the following January 10, 2023 pay date.

For all subsequent contributions, the contribution will be applied on a calendar year basis.

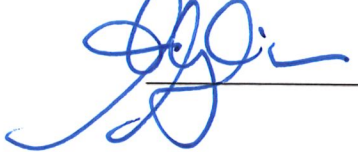
After the 2022 calendar year contributions, the pro-rata amount for each employee will be determined for the applicable calendar year by dividing \$10,000 by the number of eligible employees enrolled in the County's deferred compensation program on January 1. Individual contributions are to be distributed on a monthly basis among all eligible employees starting with the following February 10 pay date through the following January 10 pay date. 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 County fiscal 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 49 – Non-Healthcare/Non-General Wage Re-opener. Except as specifically amended or excluded by this Side Letter, all other terms and conditions of the MOU between Contra Costa County and Western Council of Engineers (July 1, 2013 -June 30, 2022) remain unchanged by this Side Letter.

Date: 3/11/2022

Contra Costa County:  
(Signature / Printed Name)

 / Alvan Margulies

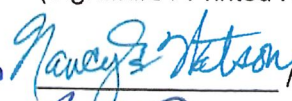
\_\_\_\_\_/\_\_\_\_\_

\_\_\_\_\_/\_\_\_\_\_

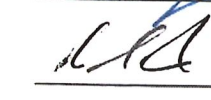
\_\_\_\_\_/\_\_\_\_\_

\_\_\_\_\_/\_\_\_\_\_

Western Council of Engineers:  
(Signature / Printed Name)

 / Nancy E. Watson

 / MICHAEL DOSSEY

 / Robert Long

\_\_\_\_\_/\_\_\_\_\_

\_\_\_\_\_/\_\_\_\_\_