

**SIDE LETTER
BETWEEN
CONTRA COSTA COUNTY AND
DEPUTY DISTRICT ATTORNEYS' ASSOCIATION**

This Side Letter is by and between the Deputy District Attorneys' Association ("Association") and the County of Contra Costa ("County") and is effective on 1 following approval of the Board of Supervisors. July 10 2021

This side letter amends the Memorandum of Understanding between the County and the Association (July 1, 2018 - June 30, 2022) under Section 21 – Deferred Compensation Incentive to include an additional sub-section (21.F) providing for a County contribution towards active employees' deferred compensation accounts pursuant to the funds referenced in Section 33 – Non-Healthcare/Non-General Wage Re-Opener.

SECTION 21 – DEFERRED COMPENSATION INCENTIVE

- A. The County will contribute eighty-five dollars (\$85) per month to each employee who participates in the County's Deferred Compensation Plan. To be eligible for this Deferred Compensation Incentive, the employee must contribute to the deferred compensation plan as indicated below.

<u>Employees with Current Monthly Salary of:</u>	<u>Qualifying Base Contribution Amount</u>	<u>Monthly Contribution Required to Maintain Incentive Program Eligibility</u>
\$2,500 and below	\$250	\$50
\$2,501 – 3,334	\$500	\$50
\$3,335 – 4,167	\$750	\$50
\$4,168 – 5,000	\$1,000	\$50
\$5,001 – 5,834	\$1,500	\$100
\$5,835 – 6,667	\$2,000	\$100
\$6,668 and above	\$2,500	\$100

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 eighty-five dollar (\$85) Deferred Compensation Incentive. 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 either because of an approved medical leave or an approved financial hardship withdrawal will not be required to reestablish eligibility. Further, employees who lose eligibility due to displacement by layoff, but maintain contributions at the required level and are later employed in an eligible position, will not be required to reestablish eligibility.

B. Special Benefit for Permanent Employees Hired on and after January 1, 2011:

1. Beginning on April 1, 2011 and for the term of this Agreement, the County will contribute one hundred and fifty dollars (\$150) per month to an employee's account in the Contra Costa County Deferred Compensation Plan, or other tax-

qualified savings program designated by the County, for employees who meet all of the following conditions:

- a. The employee must be hired by Contra Costa County on or after January 1, 2011.
 - b. The employee must be appointed to a permanent position. The position may be either full time or part time, but if it is part time, it must be designated, at a minimum, as 20 hours per week.
 - c. The employee must have been employed by Contra Costa County for at least 90 calendar days.
 - d. The employee must contribute a minimum of twenty-five dollars (\$25) per month to the Contra Costa County Deferred Compensation Plan, or other tax-qualified savings program designated by the County.
 - e. The employee must complete and sign the required enrollment form(s) for his/her deferred compensation account and submit those forms to the Human Resources Department, Employee Benefits Services Unit.
 - f. The employee may not exceed the annual maximum contribution amount allowable by the United States Internal Revenue Code.
- C. No Cross Crediting: The amounts contributed by the employee and the County pursuant to Subsection B do not count towards the "Qualifying Base Contribution Amount" or the "Monthly Contribution Required to Maintain Incentive Program Eligibility" in Subsection A. Similarly, the amounts contributed by the employee and the County pursuant to Subsection A do not count towards the employee's \$25 per month minimum contribution required by Subsection B.
- D. Maximum Annual Contribution: All of the employee and County contributions set forth in Subsections A and B will be added together to ensure that the annual maximum contribution to the employee's deferred compensation account does not exceed the annual maximum contribution rate set forth in the United States Internal Revenue Code.
- E. Deferred Compensation Plan – Loan Provision: On June 26, 2012 the Board of Supervisors adopted Resolution 2012/298 approving a side letter with the Coalition Unions to allow a Deferred Compensation Plan Loan Program effective June 26, 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. 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

F. **Additional Contribution to Deferred Compensation Plan (pursuant to the funds referenced in Section 33 – Non-Healthcare/Non-General Wage Re-Opener):**

The County shall provide a monthly deferred compensation contribution to eligible employees in the Deputy District Attorneys' Association 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 \$37,000 by the number of eligible employees enrolled in the County's deferred compensation program on July 10, 2021. This contribution amount will be distributed proportionately on a monthly basis, starting with the August 10, 2021 pay date, for the remainder of the 2021 calendar year.


For all subsequent years, the pro-rata amount for each employee is determined for the applicable year by dividing \$37,000 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 calendar year in which the Side Letter is executed and will be incorporated into the next MOU between the County and the Association. The Parties agree that this Side Letter resolves all re-opener negotiations related to Section 33 – Non-Healthcare/Non-General Wage Re-opener for the Association. Except as specifically amended or excluded by this Side Letter, all other terms and conditions of the MOU between Contra Costa County and Deputy District Attorneys' Association (July 1, 2018 -June 30, 2022) remain unchanged by this Side Letter.

Date: 06/21/21

Contra Costa County:
(Signature / Printed Name)

 / Avan Mangalindan
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Deputy District Attorneys' Association:
(Signature / Printed Name)

 / Stephanie Kang
Treasurer
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