

LETTER OF UNDERSTANDING
between the
ANAHEIM POLICE MANAGEMENT ASSOCIATION
and the
CITY OF ANAHEIM

The Anaheim Police Management Association (“APMA”) and the City of Anaheim (“ANAHEIM”), hereinafter referred to as the PARTIES, have met and conferred and reached an agreement in regards to ARTICLE 34 – Insurance, Pensions, and Prerequisites of the December 27, 2019 through June 30, 2025 Memorandum of Understanding between the APMA and ANAHEIM. The PARTIES agree to the following changes to Article 34 to become effective upon establishment of the separate Retiree Health Savings plan for APMA members:

ARTICLE 34 – INSURANCE, PENSIONS, AND PREREQUISITES

34.1 For the purposes of Health Insurance, Life Insurance, Short-Term Disability, and Long-Term Disability Benefits, and Dental Plans, employees covered within this bargaining unit shall be treated similarly to all other City management pursuant to the City of Anaheim Personnel Rules covering Management, Confidential, and Non-Represented Part-Time Employees.

34.2 If ANAHEIM modifies, deletes, or amends the City of Anaheim Personnel Rules covering Management, Confidential, and Non-Represented Part-Time Employees specifically in relation to items listed in ARTICLE 34.1, ANAHEIM shall meet and confer with APMA with respect to such changes.

34.3 Pensions

34.3.1 For Safety Plan Employees in the Public Employees’ Retirement System (hereinafter called “PERS”) assigned to the Police Safety Management Unit, the ANAHEIM shall provide Government Code section 21362.2 benefits (“3%@50”) with a final compensation measurement period of one (1) year pursuant to Government Code section 20042. As agreed by the Parties in a Letter of Understanding approved by Anaheim City Council on August 12, 2014, Safety Plan Employees enrolled in this benefit plan (3%@50), shall contribute twelve percent (12%) of compensation earnable towards CalPERS pensions benefits.

34.3.2 APMA and ANAHEIM agree that ANAHEIM will amend the PERS Safety Plan (Police Safety Management Unit) for Anaheim City, Employer Number 0303, to institute a revised defined benefit plan for covered employees hired on or after January 1, 2013. The revised defined benefit plan shall consist of the 2.7%@57

defined benefit formula (Government Code Section 7522.25(d) and (e)) or any other optional formula set forth in new Government Code Section 7522.25 subsequently agreed upon between ANAHEIM and APA, with a final compensation measurement period of three (3) consecutive years (Government Code Section 20037) and the employee paying the full required member contribution amount equal to fifty percent (50%) of the normal costs attributable to the applicable retirement formula, as provided in Government Code Sections 7522.30 and 20516, or any greater amount subsequently agreed upon between the City and APA that consistent with those provisions.

34.3.2.1 ANAHEIM and APMA agree that any provisions of ARTICLE 34.3.2, as amended herein, that are contrary to or inconsistent with the lawful provisions of the California Public Employees' Pension Reform Act of 2013 shall be modified so as to cause them to be consistent with those lawful provisions through a Letter of Understanding that amends the MOU, as amended herein, and incorporated with this MOU.

34.4 Retiree Health Savings Plan

34.4.1 The City established a Retirement Health Savings (RHS) plan to provide for reimbursement of eligible medical expenses as defined by the Retirement Health Savings plan document. Employees represented by the APMA have been included in this City RHS plan since the first memorandum of understanding between the City of Anaheim and the Anaheim Police Management Association was adopted by Resolution of the City Council on September 25, 2012.

34.4.2 In recognition that employees represented by a collective bargaining agreement may qualify for a more expansive list of eligible medical expenses after retirement than unrepresented employees, the PARTIES have agreed to transfer APMA funds to a separate RHS plan (APMA RHS PLAN.). This APMA RHS plan shall continue to be subject to the following provisions:

34.4.2.1 Full-time employees shall participate the APMA RHS plan.

34.4.2.2 The City shall contribute one percent (1.0%) of each employee's gross pay to the applicable employee's individual member account.

34.4.2.3 The employee shall contribute two percent (2%) of his/her gross pay to the employee's individual member account.

34.4.2.4 There are no vesting requirements for contributions made to an employee's individual member account.

The remainder of the MOU between the APMA and ANAHEIM shall not be affected hereby and shall remain in full force and effect.

STAFF OFFICIALS OF THE CITY OF ANAHEIM, a Municipal Corporation

By: [Signature]

By: [Signature]

By: _____

Date: March 17, 2022

ANAHEIM POLICE MANAGEMENT ASSOCIATION

By: [Signature]

By: [Signature]

By: [Signature]

Date: 3/16/2022