

**SIDE LETTER
BETWEEN
CONTRA COSTA COUNTY AND
SEIU, LOCAL 1021 (RANK & FILE UNIT)**

This Side Letter is by and between SEIU, Local 1021 – Rank & File Unit ("Union") and the County of Contra Costa ("County") and is effective on 8/10/21 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) to include an additional section that provides for a County contribution towards active employees' deferred compensation accounts 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).

26.4 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 20 hours per week and has been so employed for at least 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 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.

Within 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 (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

26.5. 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 SEIU Local 1021 Rank & File 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 \$347,700 by the number of eligible employees enrolled in the County's deferred compensation program on September 10, 2021. This contribution amount will be distributed proportionately on a monthly basis, starting with the October 10, 2021 pay date, for the remainder of the 2021 calendar year.

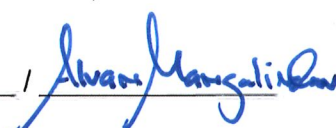
For all subsequent years, the pro-rata amount for each employee is determined for the applicable year by dividing \$347,700 by the number of eligible employees enrolled in the County's deferred compensation program on January 1. Individual contributions are to be distributed on a monthly basis among 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.

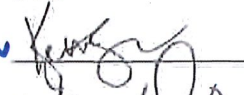
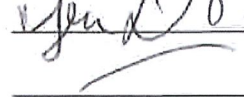
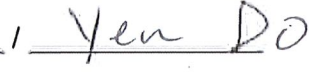
The terms of this Side Letter are effective in the calendar year in which the Side Letter is executed and will be incorporated into the next MOU between the County and the Union. The Parties agree that this Side Letter resolves all re-opener negotiations related to Section 55 – Non-Healthcare/Non-General Wage Re-opener for the SEIU Local 1021 Rank & File Unit. Except as specifically amended or excluded by this Side Letter, all other terms and conditions of the MOU between Contra Costa County and SEIU, Local 1021 – Rank & File Unit (July 1, 2016 -June 30, 2022) remain unchanged by this Side Letter.

Date: 7/23/21

Contra Costa County:
(Signature / Printed Name)

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SEIU, Local 1021
Rank & File Unit:
(Signature / Printed Name)

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