

## SIDE LETTER

Subject: Employer Payment of Member Retirement Contribution Amounts  
PO/FF Members, Miscellaneous Members

Effective October 1, 2003, and continuing for twelve (12) monthly pay periods thereafter, the State agrees to the following:

Peace Officer/Firefighter (PO/FF) member contributions to the Public Employees' Retirement System (PERS) are based on 8% of the compensation in excess of \$238.00. Unit 8 employees who are in this member category shall be required to contribute 6% of that compensation. However, Unit 8 PO/FF members shall have their employee retirement contribution rates reduced from 6% of compensation in excess of \$238.00 per month to 1% of compensation in excess of \$238.00 per month. The amounts paid by the State shall be credited to the members' account as though made by the members.

Effective October 1, 2003, and continuing for (12) monthly pay periods thereafter, the State agrees to the following:

Employees who are miscellaneous and/or industrial members of the first tier plan who are subject to Social Security under the Public Employee's Retirement System (CalPERS) shall have their employee retirement contribution rate reduced from 5% of compensation in excess of \$513.00 each month to 0% in excess of \$513.00 per month. The amounts paid by the State shall be credited to the members' account as though made by the members.

Employees who are miscellaneous and/or industrial members of the first tier plan who are not subject to Social Security under Public Employee's Retirement System (CalPERS) shall have their employee retirement contribution rate reduced from 6% of compensation in excess of \$317.00 each month to 1% of compensation in excess of \$317.00 per month. The amounts paid by the State shall be credited to the members' account as though made by the members.

This side letter fulfills the requirements of the "Most Favored Nations" clause attached to the tentative agreement initialed by the parties on July 30, 2003.