

CITY OF MANTECA
AND
THE MANTECA POLICE EMPLOYEES' ASSOCIATION
SIDE LETTER OF AGREEMENT

This Side Letter Agreement ("Side Letter") is made and entered into on November 10, 2025, pursuant to meet and confer with the Manteca Police Employees' Association (MPEA). City and the MPEA are sometimes referred to in this Side Letter as "Party" or, collectively, as the "Parties." The parties have met and conferred in good faith pursuant to Government Code 3505, and hereby agree to revise Section V. 38 of the Memorandum of Understanding (MOU).

All other provisions of the parties' Memorandum of Understanding (MOU) effective July 1, 2023 through June 30, 2026, shall remain unchanged unless otherwise agreed to by the parties or as a result of subsequent negotiations over a successor MOU.

V. RETIREMENT

38. RETIREMENT

State Retirement Program

Employees of this unit shall be members of the California Public Employees' Retirement System (CalPERS). Any contract with CalPERS currently in effect, shall remain in effect as they may apply to the members of this unit. Retirement benefits shall be consistent with to the laws of the State of California and the United States.

Definitions

Retired Employee is defined as follows:

An employee who retires from the City of Manteca under the provisions of the California Public Employees' Retirement System.

New Member is defined as follows:

1. A unit member who becomes a member of CalPERS for the first time on or after January 1, 2013 and who was not a member of any other public retirement system prior to that date;
2. A unit member who becomes a member of CalPERS for the first time on or after January 1, 2013 and who was a member of another public retirement system prior to that date, but who was not subject to reciprocity under Gov. Code §7522.02(c) and related CalPERS reciprocity requirements; or
3. A unit member who was an active member in CalPERS with another employer and who, after a break in service of more than six (6) months, returned to active membership in CalPERS with the City.

Classic Member is defined as follows:

A unit member who entered into membership with a qualifying public retirement system on or before December 31, 2012 who does not meet the definition of “New Member” under Government Code §7522.04(f) and related CalPERS membership requirements.

Status as either a New Member or Classic Member shall be determined by CalPERS.

Retirement Benefits:

Classic Tier 1: *Retirement plan for employees hired with the City of Manteca on or before May 31, 2012.*

Classic Tier 1 members shall receive the 2.7% at 55 retirement formula. For purposes of determining a retirement benefit, final compensation for these employees shall mean the single highest year of pensionable compensation.

Classic Tier 1 members shall pay through payroll deduction, 100% of the CalPERS established employee contribution, which is eight percent (8%).

Additionally, Classic Tier 1 members shall pay through payroll deduction an additional 11% toward the employer contribution for a total of 19%.

Classic Tier 2: *Retirement plan for employees hired with the City of Manteca on or after June 1, 2012 and meet the definition of a Classic member as defined by CalPERS.*

Classic Tier 2 members shall receive the 2.0% at 60 retirement formula. For purposes of determining a retirement benefit, final compensation for these employees shall mean the highest annual average pensionable compensation earned during thirty-six (36) consecutive months of service.

Classic Tier 2 members shall pay through payroll deduction, 100% of the CalPERS established employee contribution, which is seven percent (7%).

Additionally, Classic Tier 2 members shall pay through payroll deduction an additional 11% toward the employer contribution for a total of 18%.

PEPRA: *Retirement plan for employees hired with the City of Manteca on or after January 1, 2013, and meet the definition of a new member as defined by CalPERS.*

PEPRA members shall receive the 2.0% at 62 retirement benefit. For purposes of determining a retirement benefit, final compensation for these employees shall mean the highest annual average pensionable compensation earned during thirty-six (36) consecutive months of service.

As required by Government code §7522.04(g), PEPRA members shall pay, through payroll deduction, fifty percent (50%) of the total normal cost of their retirement plan as determined annually by CalPERS.

Additionally, PEPRA members shall pay through payroll deduction an additional 11% toward the employer contribution for a total of 11% plus 50% of normal cost.

CALPERS COST-SHARING

The parties acknowledge that CalPERS mandates an election of unit members, separate from MOU ratification, to provide for cost-sharing pursuant to Government Code Section 20516(b)-CalPERS Contract Amendment Method.

As soon as practicable after the ratification of this side letter agreement, the City will initiate a contract amendment process for the cost-sharing of the additional 11% contribution (Classic Tier I; Classic Tier II; and PEPRA members).

Contract Amendment Method (Government Code Section 20516(b))

Cost-sharing under the contract amendment method cannot exceed the employer's normal cost contribution, which is subject to change each fiscal year. Under the contract amendment method, the 11% cost-sharing shall be paid by employees on a pre-tax basis and will be credited as a member contribution to CalPERS.

If the 11% cost-share amount ever exceeds the employer normal cost contribution in any given fiscal year based on the City's CalPERS actuarial annual valuation report, the difference of the 11% minus the normal cost contribution will be paid by employees on a post-tax basis and only under the MOU Method (therefore not credited as a member contribution to CalPERS).

MOU Method (Government Code Section 20516(f))

If the contract amendment method for cost-sharing vote is not passed by members, the 11% cost-sharing will be contributed under the MOU Method under Government Code Section 20516(f) and shall be paid on a post-tax basis.

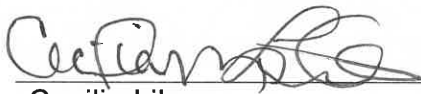
SIGNATURES

This Memorandum of Understanding shall remain in full force and effect until a successor MOU is signed by the parties herein.

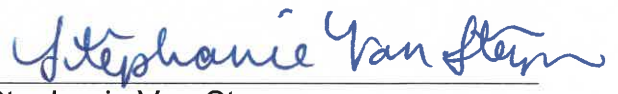
Executed this 10th day of November, 2025.

MPEA:

CITY OF MANTECA:



Cecilia Liles
MPEA President



Stephanie Van Steyn
Director of Human Resources