

**POLICE & FIRE DEPARTMENT RETIREMENT PLAN**  
**City of San José, California**

**RESOLUTION NO. 4833**

**RESOLUTION OF THE BOARD OF ADMINISTRATION OF THE POLICE AND FIRE DEPARTMENT RETIREMENT PLAN AMENDING AND RESTATING RESOLUTION NO. 4828 TO ADOPT AND ESTABLISH CONTRIBUTIONS FOR THE 1961 POLICE AND FIRE DEPARTMENT RETIREMENT PLAN FOR POLICE TIER 2 MEMBERS ONLY, EFFECTIVE JUNE 25, 2023**

**WHEREAS**, Section 3.36.410 of the San José Municipal Code provides that the Board of Administration of the Police and Fire Department Retirement Plan shall fix, and from time-to-time change, the rates of contribution required of the members of said Plan and of the City in order to make the retirement plan at all times actuarially sound; and

**WHEREAS**, Chapter 3.36 of the San José Municipal Code provides for the setting of the rates of contribution to be made by said members and by the City, and the payment of such contributions for the current and prior service; and

**WHEREAS**, Cheiron, Inc., the Board's actuary completed Actuarial Valuation Reports dated June 30, 2022 for the Pension and Retiree Health Care Plans and provided a letter dated March 24, 2023, containing both recommended contribution rates and contribution amounts for the City and members for fiscal year 2023-2024; and

**WHEREAS**, on June 18, 2013, San Jose City Council adopted Ordinance No. 29266 to provide Tier 2 pension benefits for new Police members hired, rehired or reinstated on or after August 4, 2013, as defined by Section 3.36.020.15; and

**WHEREAS**, on November 8, 2016, the City of San Jose voters approved Measure F that would enable the provisions of the Alternative Pension Reform Framework Settlement Agreement to be implemented; and

**WHEREAS**, on February 28, 2017, the City Council adopted the ordinances to implement Measure F, which became effective March 30, 2017; and

**WHEREAS**, the provisions of Measure F for the Voluntary Employee Beneficiary Association (VEBA), which is a defined contribution plan for eligible medical expenses when an employee leaves City employment and is separate from the retirement plans and managed by the City, was implemented and became effective March 25, 2018, and Police Tier 2 members were automatically placed into the VEBA for healthcare; and

**WHEREAS**, Section 3.36.1590 of the San José Municipal Code provides that where the City has provided notice on or before April 30 of any year of its intent to elect an option to prefund contributions, the amount of the City's prefunded contribution shall be as determined by the Board to be actuarially equivalent to the monthly or biweekly payments that would otherwise have been made; and

**WHEREAS**, the City has the option to prepay contributions for fiscal year 2023-2024 as may be calculated pursuant to SJMC 3.28.940 but has opted not to do so; and

**WHEREAS**, the Board adopted Resolution No. 4828 on May 5, 2022 establishing the contribution rates for Police Tier 2 for fiscal year 2022-2023; and

**WHEREAS**, it is necessary to supersede Resolution No. 4828 in order to implement the contribution rates established by the Board, as required by the Municipal Code, for fiscal year 2023-2024.

**NOW, THEREFORE, THE BOARD DOES HEREBY RESOLVE:**

**SECTION I.** Resolution No. 4828 is hereby superseded and there is hereby established the following base rates and dollars of contribution for the said 1961 Police and Fire Department Retirement Plan, for Police Tier 2 members only, to be effective June 25, 2023.

<b>MEMBER</b>	<b>2023-2024 Dollars</b>	<b>2023-2024 Rate</b>
Normal Rate of Contribution (Current Service)	N/A	11.65%
Prior Service Rate of Contribution (UAL)	N/A	-0.40%
<b>Total</b>	<b>N/A</b>	<b>11.25%</b>
<b>CITY</b>		
Normal Rate of Contribution (Current Service)	\$11,371,134 <sup>1</sup>	11.65%
Prior Service Contribution (UAL)	-390,425 <sup>1</sup>	-0.40%
<b>Total</b>	<b>\$10,980,709<sup>1</sup></b>	<b>11.25%</b>

**SECTION II.** That in addition to the contributions required to be made in Section 1 hereof, the following Cost of Living Contributions be established for the 1961 Police and Fire Department Retirement Plan, for Police Tier 2 members only, to be effective June 25, 2023 in accordance with Chapter 3.44 of the San José Municipal Code.

<b>MEMBER</b>	<b>2023-2024 Dollars</b>	<b>2023-2024 Rate</b>
Normal Rate of Contribution (Current Service)	N/A	3.16%
Prior Service (UAL)	N/A	-0.06%
<b>Total</b>	<b>N/A</b>	<b>3.10%</b>
<b>CITY</b>		
Normal Rate of Contribution (Current Service)	\$3,084,359 <sup>1</sup>	3.16%
Prior Service (UAL)	-58,563	-0.06%
<b>Total</b>	<b>\$3,025,796<sup>1</sup></b>	<b>3.10%</b>

<sup>1</sup> Based on actuarial assumed payroll of \$97,606,304.

**ADOPTED** this **6<sup>th</sup>** day of **April 2023** by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

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**ANDREW LANZA, CHAIRPERSON  
BOARD OF ADMINISTRATION**

**ATTEST:**

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**ROBERTO L. PEÑA, SECRETARY  
BOARD OF ADMINISTRATION**