

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

RESOLUTION NO. 4850

RESOLUTION OF THE BOARD OF ADMINISTRATION OF THE POLICE AND FIRE DEPARTMENT RETIREMENT PLAN AMENDING AND RESTATING RESOLUTION NO. 4844 TO ADOPT AND ESTABLISH CONTRIBUTIONS FOR THE 1961 POLICE AND FIRE DEPARTMENT RETIREMENT PLAN FOR POLICE TIER 2 MEMBERS ONLY, EFFECTIVE JUNE 21, 2026

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, 2025 for the Pension and Retiree Health Care Plans and provided a letter dated April 16, 2026, containing both recommended contribution rates and contribution amounts for the City and members for fiscal year 2026-2027; 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 2026-2027 as may be calculated pursuant to SJMC 3.36.1590 but has opted not to do so as stated in their email dated April 1, 2026; and

WHEREAS, the Board adopted Resolution No. 4844 on April 3, 2025 establishing the contribution rates for Police Tier 2 for fiscal year 2025-2026; and

WHEREAS, it is necessary to supersede Resolution No. 4844 in order to implement the contribution rates established by the Board, as required by the Municipal Code, for fiscal year 2026-2027.

NOW, THEREFORE, THE BOARD DOES HEREBY RESOLVE:

SECTION I. Resolution No. 4844 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 21, 2026.

MEMBER	2026-2027 Dollars	2026-2027 Rate
Normal Rate of Contribution (Current Service)	N/A	11.58%
Prior Service Rate of Contribution (UAL)	N/A	-0.09%
Total	N/A	11.49%
CITY		
Normal Rate of Contribution (Current Service + Admin Expenses)	\$14,777,246 ¹	11.58%
Prior Service Contribution (UAL)	-114,849 ¹	-0.09%
Total	\$14,662,397¹	11.49%

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 21, 2026 in accordance with Chapter 3.44 of the San José Municipal Code.

MEMBER	2026-2027 Dollars	2026-2027 Rate
Normal Rate of Contribution (Current Service)	N/A	3.17%
Prior Service (UAL)	N/A	-0.02%
Total	N/A	3.15%
CITY		
Normal Rate of Contribution (Current Service + Admin Expenses)	\$4,045,239 ¹	3.17%
Prior Service (UAL)	-25,522 ¹	-0.02%
Total	\$4,019,717¹	3.15%

¹ Based on actuarial assumed payroll of \$127,610,070.

ADOPTED this 20th day of May 2026 by the following vote:

AYES:

NOES:

ABSENT:

ANDREW GARDANIER, CHAIRPERSON
BOARD OF ADMINISTRATION

ATTEST:

JOHN FLYNN, SECRETARY
BOARD OF ADMINISTRATION