

SIDE LETTER TO THE
MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF FREMONT AND
FREMONT BATTALION CHIEFS, INTERNATIONAL ASSOCIATIONS OF FIREFIGHTERS,
LOCAL 1689

This Side Letter is entered into by and between the City of Fremont (City) and the Fremont Battalion Chiefs, International Association of Firefighters (IAFF), Local 1689 representing the classification of Battalion Chiefs (collectively “the parties”) regarding retirement contributions to the California Public Employees’ Retirement System (CalPERS) for employees hired on or after January 1, 2013.

WHEREAS, in 2013, the parties agreed to modify the contribution paid by Classic and New Members an additional amount above the statutory required contribution, resulting in a total contribution of twelve percent (12%); and

WHEREAS, in 2019, the City amended its contract with California Public Employees’ Retirement System (CalPERS) to reflect the 0.75% additional contribution for New Members effective from and after June 15, 2014. At the time, the 0.75% additional contribution and the 50% of normal cost contribution still equaled 12%; and

WHEREAS, effective July 1, 2025, the required 50% of normal cost contribution for New Members increased from 11.25% to 11.75%, resulting in a total contribution of 12.5% when combined with the additional 0.75% contribution, and;

WHEREAS, the parties desire to clarify and adjust the additional contribution for New Members to maintain the intent of the 2013 agreement.

NOW THEREFORE, the parties agree as follows:

1. Required Employee Contribution

Employees hired on or after January 1, 2013 (“New Members”), shall continue to contribute fifty percent (50%) of the normal cost as required by law.

2. Adjustment to Additional Contribution

The intent of the 2013 agreement and 2019 amendment was that New Members would pay an additional contribution to equal a total contribution of twelve percent (12%). Therefore, effective July 1, 2025 or as soon as administratively feasible, the additional contribution for new members should be reduced to 0.25%.

3. Future Contribution Adjustments

The parties acknowledge that the statutory required contribution for New Members could exceed twelve percent (12%). In the future, as the requirement contribution fluctuates, the City will adjust the additional contribution so that the total New Member contribution shall be the greater of:

- (a) the PEPRAs minimum contribution as required by law, or
- (b) twelve percent (12%).

4. CalPERS Contract Amendment

The City will amend its CalPERS contract to reflect that the total required CalPERS contribution for New Members shall be the greater of the PEPRAs minimum contribution as required by law or 12%.

5. Employee Reimbursement

Following execution and implementation of the CalPERS contract amendment, the City will reimburse each New Member in a lump sum for any contributions made above twelve percent (12%) between June 29, 2025, and the pay period when the correction takes effect.

6. MOU Amendment

The parties agree to amend the chart in Article 5, Retirement Section and add Section 5.1.5 of the Battalion Chiefs, IAFF Memorandum of Understanding (MOU), as follows:

5.1.5 Retirement Benefit:

Members will pick up additional CalPERS contributions as follows:

- Employees recognized as “Classic Tier 1” and “Classic Tier 2” employees following the adoption of PEPRAs, will contribute an additional three percent (3%) toward the cost of their respective pension benefits for a total contribution of 12%.
- Employees who are defined as “new members” under PEPRAs shall contribute the greater of 12% or the statutorily required minimum pension contribution for “new members” established by PEPRAs.

The following table summarizes the benefits based on member hire date:

Benefit	Employees hired before 4/8/12 (Classic Tier 1)	Employees hired from 4/8/12 – 12/31/12 and Classic CalPERS Members Hired After	Employees hired <u>on or after 1/1/13 or later as new New CalPERS Members</u>
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		12/31/12 as defined by [PEPRA] (Classic Tier 2)	
Retirement Formula	3% at age 50	3% at age 55	2.7% at age 57
Average Highest Comp. Time	Single highest year	Average of three highest years	Average of three highest years
Normal Member CalPERS Contribution	9%	9%	50% of normal cost
Additional Contribution to Employer CalPERS	3%	3%	The greater of 12% or the statutorily required minimum pension contribution for "new members" established by PEPRA
Total Required CalPERS Contribution	12%	12%	12%

This Agreement is executed by the Employer-Employee Representatives whose signatures appear below.


SIGNED FOR CITY

DocuSigned by:

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Tina Gallegos
 Human Resources Director
 DATE: 04/10/2026 | 4:20 PM PDT

SIGNED FOR Battalion Chiefs, IAFF

DocuSigned by:

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Kyle Adams
 Elected Official
 DATE: 04/03/2026 | 2:06 PM PDT

DocuSigned by:

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Brian Stott
 Assistant City Manager
 DATE: 04/10/2026 | 5:03 PM PDT

Signed by:

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Timothy K. Talbot
 Attorney
 DATE: 04/03/2026 | 2:01 PM PDT

APPROVED AS TO FORM AND LEGAL EFFECT:

Signed by:

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By: Rafael E. Alvarado, Jr.
 City Attorney

DATE: 04/09/2026 | 4:24 PM PDT