

TO: BOARD OF SUPERVISORS
DATE: AUGUST 19, 2011
FROM: AGENDA CLERK
SUBJECT: AMENDMENT #1 TO THE AUGUST 23, 2011 BOARD AGENDA

AMENDED ITEM
CONSENT

A-9 Submittal of resolutions to approve the January 1, 2011 – June 30, 2013 Memorandum of Understanding with the San Luis Obispo County Deputy Sheriffs' Association (DSA) for the Supervisory Law Enforcement Unit (BU14), Law Enforcement Unit (BU03), Non-Safety Law Enforcement Unit (BU21) and the Dispatcher Unit (BU22); and amend the San Luis Obispo County Employees' Retirement Plan to establish a second tier pension plan for DSA employees hired on or after September 4, 2011. (RECOMMEND APPROVAL AND INSTRUCT CHAIRPERSON TO SIGN.)

STAFF IS RECOMMENDING THIS ITEM BE AMENDED BY ADDING EXHIBITS A, B AND C AND THE COVER PAGE FOR APPENDIX B (SAFETY MEMBERS CONTRIBUTION RATES) WHICH WERE INADVERTENTLY LEFT OUT OF THE PACKET. THE PAGES ARE ATTACHED.

ADDED ITEM
CONSENT

A-21 Introduction of an ordinance establishing the new Supervisorial District boundaries under Redistricting pursuant to Elections Code Sections 21500-21506. (RECOMMEND APPROVAL AND INSTRUCT CLERK TO GIVE NOTICE OF HEARING DATE SET FOR SEPTEMBER 6, 2011 AT 9:00 A.M.)

ADDED ITEM
CLOSED SESSION

I. PENDING LITIGATION (Gov. Code, § 54956.9.) It is the intention of the Board to meet in closed session concerning the following items:

A. Conference with Legal Counsel – Existing Litigation (Gov. Code, § 54956.9(a).) (Formally initiated) 12. *In Re LOCSD (Bankruptcy)* 13. *North County Watch v. County of SLO - Topaz Solar Farm (CV118234)*; 14. *North County Watch v. County of SLO - Sun Power (CV110314)*

REQUIREMENTS OF THE BROWN ACT HAVE BEEN SATISFIED AS THIS NOTICE WAS POSTED PRIOR TO THE 72-HOUR NOTICING REQUIREMENT

APPENDIX B - Safety Members Contribution Rates

EXHIBIT A

Article 27: Tier Two - Miscellaneous

Section 27.01: Applicability.

This Article shall apply to:

- (a) Any Miscellaneous Member who becomes a County Employee of the County of San Luis Obispo on or after December 26, 2010 and who has never been a County Employee of the County of San Luis Obispo prior to said date and who is employed in County Bargaining Unit 7, 8, 9, 10, 11 or 17.
- (b) Any Miscellaneous Member who becomes a County Employee of the County of San Luis Obispo on or after April 17, 2011, and who has never been a County Employee of the County of San Luis Obispo prior to said date and who is employed in County Bargaining Unit 1, 5 or 13. In addition, this Article shall apply to any Miscellaneous Member who becomes a County Employee of the County of San Luis Obispo on or after July 24, 2011, and who has never been a County Employee of the County of San Luis Obispo prior to said date and who is employed in County Bargaining Unit 2.
- (c) Any Miscellaneous Member who becomes a County Employee of the County of San Luis Obispo on or after September 4, 2011, and who has never been a County Employee of the County of San Luis Obispo prior to said date and who is employed in County Bargaining Unit 4 or 12.
- (d) Any Miscellaneous Member who becomes a County Employee of the County of San Luis Obispo on or after September 4, 2011, and who has never been a County Employee of the County of San Luis Obispo prior to said date and who is employed in County Bargaining Unit 14, 21 or 22.
- (e) Any Miscellaneous Member who had ceased to be a Member and a County Employee and who had withdrawn his or her Accumulated Contributions, and who later resumes County Employment with the County of San Luis Obispo on or after December 26, 2010 and who is employed in County Bargaining Unit 7, 8, 9, 10, 11 or 17, as to all Pension Trust Service Credit (PTSC) accrued on or after said date. If the Member described in this Section 27.01 (e) elects to redeposit an amount equal to all of his or her previously withdrawn Accumulated Normal Contributions, plus regular interest thereon to the date of the redeposit, his or her previous PTSC shall be recognized for purposes of this Retirement Plan and shall be subject to and administered in accordance with the benefit provisions under which said PTSC was originally accrued. Provided however, that PTSC accrued as a result of the Member's resumption of County Employment with the County of San Luis Obispo on or after December 26, 2010, shall be subject to the provisions of this Article 27.

- (f) Any Miscellaneous Member who had ceased to be a Member and a County Employee and who had withdrawn his or her Accumulated Contributions, and who later resumes County Employment with the County of San Luis Obispo on or after April 17, 2011 and who is employed in County Bargaining Unit 1, 5 or 13, or who later resumes County Employment with the County of San Luis Obispo on or after July 24, 2011 and who is employed in County Bargaining Unit 2, as to all Pension Trust Service Credit (PTSC) accrued on or after said date. If the Member described in this Section 27.01 (f) elects to redeposit an amount equal to all of his or her previously withdrawn Accumulated Normal Contributions, plus regular interest thereon to the date of the redeposit, his or her previous PTSC shall be recognized for purposes of this Retirement Plan and shall be subject to and administered in accordance with the benefit provisions under which said PTSC was originally accrued. Provided however, that PTSC accrued as a result of the Member's resumption of County Employment with the County of San Luis Obispo on or after April 17, 2011 in County Bargaining Unit 1, 5 or 13, or Member's resumption of County employment in County Bargaining Unit 2 on or after July 24, 2011, shall be subject to the provisions of this Article 27.
- (g) Any Miscellaneous Member who had ceased to be a Member and a County Employee and who had withdrawn his or her Accumulated Contributions, and who later resumes County Employment with the County of San Luis Obispo on or after September 4, 2011 and who is employed in County Bargaining Unit 4 or 12, as to all Pension Trust Service Credit (PTSC) accrued on or after said date. If the Member described in this Section 27.01 (g) elects to redeposit an amount equal to all of his or her previously withdrawn Accumulated Normal Contributions, plus regular interest thereon to the date of the redeposit, his or her previous PTSC shall be recognized for purposes of this Retirement Plan and shall be subject to and administered in accordance with the benefit provisions under which said PTSC was originally accrued. Provided however, that PTSC accrued as a result of the Member's resumption of County Employment with the County of San Luis Obispo on or after September 4, 2011, shall be subject to the provisions of this Article 27.
- (h) Any Miscellaneous Member who had ceased to be a Member and a County Employee and who had withdrawn his or her Accumulated Contributions, and who later resumes County Employment with the County of San Luis Obispo on or after September 4, 2011 and who is employed in County Bargaining Unit 14, 21 or 22, as to all Pension Trust Service Credit (PTSC) accrued on or after said date. If the Member described in this Section 27.01 (h) elects to redeposit an amount equal to all of his or her previously withdrawn Accumulated Normal Contributions, plus regular interest thereon to the date of the redeposit, his or her previous PTSC shall be recognized for purposes of this Retirement Plan and shall be subject to and administered in accordance with the benefit provisions under which said PTSC was originally accrued. Provided however, that PTSC accrued as a result of the Member's resumption

of County Employment with the County of San Luis Obispo on or after September 4, 2011, shall be subject to the provisions of this Article 27.

- (i) Any Miscellaneous Member who reinstates from retirement pursuant to Article 11 of this Retirement Plan on or after December 26, 2010, and who upon reinstatement, resumes County Employment with the County of San Luis Obispo in County Bargaining Unit 7, 8, 9, 10, 11 or 17 as to all Pension Trust Service Credit accrued on or after said date subject to the following:
 - a. Upon subsequent retirement, his or her retirement allowance shall be determined as follows:
 - i. For PTSC accrued prior to the Member's original Retirement Effective Date before December 26, 2010, his or her allowance shall be determined in accordance with the provisions of Article 6.
 - ii. For PTSC accrued after Reinstatement from Retirement on or after December 26, 2010, his or her allowance shall be determined in accordance with the provisions of this Article 27.
- (j) Any Miscellaneous Member who reinstates from retirement pursuant to Article 11 of this Retirement Plan on or after April 17, 2011, and who upon reinstatement, resumes County Employment with the County of San Luis Obispo in County Bargaining Unit 1, 5 or 13 as to all Pension Trust Service Credit accrued on or after said date subject to the following:
 - a. Upon subsequent retirement, his or her retirement allowance shall be determined as follows:
 - i. For PTSC accrued prior to the Member's original Retirement Effective Date before April 17, 2011, his or her allowance shall be determined in accordance with the provisions of Article 6.
 - ii. For PTSC accrued after Reinstatement from Retirement on or after April 17, 2011, his or her allowance shall be determined in accordance with the provisions of this Article 27.
 - b. For any Miscellaneous Member who reinstates from retirement pursuant to Article 11 of this Retirement Plan on or after July 24, 2011, and who upon reinstatement, resumes County Employment with the County of San Luis Obispo in County Bargaining Unit 2, upon subsequent retirement, said Member's retirement allowance shall be determined as follows:

52.00	1.224	56.00	1.552	60.00	2.000	64.00	2.458
52.25	1.242	56.25	1.576	60.25	2.034	64.25	2.468
52.50	1.260	56.50	1.600	60.50	2.068	64.50	2.478
52.75	1.278	56.75	1.626	60.75	2.100	64.75	2.488
53.00	1.296	57.00	1.650	61.00	2.134	65 & older	2.500
53.25	1.316	57.25	1.678	61.25	2.168		
53.50	1.336	57.50	1.704	61.50	2.202		
53.75	1.356	57.75	1.730	61.75	2.238		

- (c) In no event shall the Service Retirement Allowance accrued by Members Employed in Bargaining Unit 1, 2, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 17, 21 or 22, pursuant to this Section be greater than 90% of the Tier Two Member's Tier Two Final Compensation.

Section 27.03: Tier Two Compensation means the remuneration for a County Employee's services paid to the County Employee by the County of San Luis Obispo, from the funds of the County of San Luis Obispo according to the County of San Luis Obispo's basic salary schedule, but "compensation" shall not include differential pay, and/or overtime pay, and/or pick up of Normal Contributions furnished by the County pursuant to Internal Revenue Code 414 (h), and/or the monetary value of board, lodging, fuel, laundry, auto allowances or other pay or advantages furnished to a County Employee by the County of San Luis Obispo, unless otherwise determined by the Board of Trustees with the concurrence of the Board of Supervisors. For an elected officer, "compensation" shall have the same meaning as the foregoing. For any Elected Officer whose compensation is not set forth in the said basic salary schedule, "compensation" means the salary provided for said Elected Officer by the Board of Supervisors or by law.

27.04: Tier Two Compensation Earnable means the average monthly compensation, as determined by the Board of Trustees for the pay period under consideration on the basis of the average number of days paid as worked by persons in the same grade or class of position during the pay period, and at the same rate of pay. The computation for any absence shall be based on compensation of the position held by the Tier Two Member at the beginning of the absence.

Section 27.05: Tier Two Final Compensation.

- (a) Notwithstanding any other provision of the Retirement Plan, for a Tier Two Miscellaneous Member, Tier Two Final Compensation means the average monthly Compensation Earnable by a Tier Two Miscellaneous Member:

contrary action by the Board of Supervisors, the normal rates of contribution for Tier Two Miscellaneous Members shall be those set forth in Appendix A hereof.

Section 27.12: Tier Two Additional Contributions. A Tier Two Miscellaneous Member may make Tier Two Additional Contributions to the Pension Trust from his or her compensation. The County of San Luis Obispo may make appropriations to the Pension Trust designated as Tier Two Additional Contributions on behalf of designated Members. In the event that the County of San Luis Obispo shall designate certain of its appropriations to the Pension Trust as contributions made on behalf of Tier Two Miscellaneous Members under Section 414 (h) of the U.S. Code, and in the event that said appropriations are in excess of the amount required to pay the Normal Contributions of designated Tier Two Miscellaneous Members, then the said excess amounts shall be considered to be the Additional Contributions of the designated Tier Two Miscellaneous Members.

Additional Contributions will be credited bi-weekly with interest at a rate to be determined by the Board of Trustees.

The Accumulated Additional Contributions in a Tier Two Miscellaneous Member's account or in a Tier Two Reserve Participant's account shall be used to provide an additional allowance or benefits at retirement, which allowance or benefits shall have the same actuarial value as the Accumulated Additional Contributions in the Tier Two Miscellaneous Member's account or the Tier Two Reserve Participant's account at the time of his or her retirement.

In the alternative, the Member, at the time of the Member's retirement may elect to either withdraw his or her Accumulated Additional Contributions in a lump sum or to have his or her Accumulated Additional Contributions paid in an allowance in the same manner as the Member elects under the provisions of Article 13 of this Retirement Plan.

On or after December 26, 2010, a Tier Two Miscellaneous Member, at the time of the Member's retirement, may elect to receive his or her Additional Contributions in monthly installment payments over a period of years specified by the Member, said installment payments not to exceed ten years and which payments shall terminate at the end of the installment period or at death. Upon the death of a Tier Two Retired Participant who has elected installment payments pursuant to this paragraph, any Additional Contributions remaining in the Retired Participant's Additional Contribution account shall be paid to the Retired Participant's designated beneficiary.

Section 27.13 Deduction of Contributions. A Tier Two Miscellaneous Member's contributions shall be deducted by the County Auditor, or other officer charged with the duty of drawing salary or wage warrants from the salary or wage warrants drawn in each pay period in favor of each Tier Two Miscellaneous Member, and such deduction shall be paid to the Pension Trust and placed to the credit of each Tier Two Miscellaneous Member's regular account in accordance with the provisions of this Retirement Plan.

Section 27.14 Death Benefits. The provisions of Article 7: Death Benefits, as set forth in this Retirement Plan, shall apply to Members subject to this Article 27 in accordance with the other benefits and rights afforded by Article 27.

Section 27.15 Eligibility for Service Retirement Allowance for Tier Two Miscellaneous Member. Normal Retirement Age for Tier Two Miscellaneous Members is age 60. A Tier Two Miscellaneous Member who commenced his or her most recent period of membership on or after December 26, 2010 and who is employed in County Bargaining Unit 7, 8, 9, 10, 11 or 17 is eligible to receive a Service Retirement Allowance upon attaining age 50 if he or she has five years of Pension Trust Service Credit. A Tier Two Miscellaneous Member who commenced his or her most recent period of membership on or after April 17, 2011 and who is employed in County Bargaining Unit 1, 5 or 13 is eligible to receive a Service Retirement Allowance upon attaining age 50 if he or she has five years of Pension Trust Service Credit. A Tier Two Miscellaneous Member who commenced his or her most recent period of membership on or after July 24, 2011 and who is employed in County Bargaining Unit 2 is eligible to receive a Service Retirement Allowance upon attaining age 50 if he or she has five years of Pension Trust Service Credit. A Tier Two Miscellaneous Member who commenced his or her most recent period of membership on or after September 4, 2011 and who is employed in County Bargaining Unit 4 or 12 is eligible to receive a Service Retirement Allowance upon attaining age 50 if he or she has five years of Pension Trust Service Credit. A Tier Two Miscellaneous Member who commenced his or her most recent period of membership on or after September 4, 2011 and who is employed in County Bargaining Unit 14, 21 or 22 is eligible to receive a Service Retirement Allowance upon attaining age 50 if he or she has five years of Pension Trust Service Credit.

Section 27.16 Disability Retirement Allowance. The provisions of Article 10: Disability Retirement Allowance as set forth in this Retirement Plan shall apply to Members subject to this Article 27 in accordance with the other benefits and rights afforded by Article 27.

Section 27.17 Reinstatement. A Retired Participant may be reinstated from retirement by the Board of Trustees, and thereafter may become a County Employee in accordance with the provisions governing such service, in the same manner as a person who has not been so retired.

Section 27.18 Requirements for Reinstatement.

(a) The Board of Trustees may reinstate a Retired Participant from Service retirement upon his or her application to the Board of Trustees for reinstatement.

(b) The Board of Trustees may reinstate a Retired Participant from Ordinary or Industrial Disability retirement:

(1) Upon his or her application to the Board of Trustees for reinstatement, or upon the petition of the Executive Secretary of the Pension Trust, and

- (2) Upon the determination of the Board of Trustees, based upon medical evidence, that said Retired Participant is not incapacitated physically or mentally for any position in the County for which the application or petition for reinstatement has been received.
- (3) Upon receipt of an application or petition for reinstatement from disability retirement, the Board of Trustees shall cause a medical examination to be performed in order to obtain said medical evidence.

Section 27.19 Disposition of Retirement Allowance on Reinstatement.

- (a) When a Retired Participant is reinstated from retirement on or after December 26, 2010 under Section 27.18, and pursuant to said reinstatement becomes employed in County Bargaining Unit 7, 8, 9, 10, 11 or 17, his or her retirement allowance shall be canceled forthwith, and he or she shall become a Tier Two Miscellaneous Member of this Plan as of the date of reinstatement. His or her individual account shall be credited with an amount which is the actuarial equivalent of his or her annuity at the date of reinstatement, not to exceed the amount of his or her accumulated contributions as it was at the date of retirement.
- (b) When a Retired Participant is reinstated from retirement on or after April 17, 2011 under Section 27.18, and pursuant to said reinstatement becomes employed in County Bargaining Unit 1, 5 or 13, his or her retirement allowance shall be canceled forthwith, and he or she shall become a Tier Two Miscellaneous Member of this Plan as of the date of reinstatement. His or her individual account shall be credited with an amount which is the actuarial equivalent of his or her annuity at the date of reinstatement, not to exceed the amount of his or her accumulated contributions as it was at the date of retirement.
- (c) When a Retired Participant is reinstated from retirement on or after July 24, 2011 under Section 27.18, and pursuant to said reinstatement becomes employed in County Bargaining Unit 2, his or her retirement allowance shall be canceled forthwith, and he or she shall become a Tier Two Miscellaneous Member of this Plan as of the date of reinstatement. His or her individual account shall be credited with an amount which is the actuarial equivalent of his or her annuity at the date of reinstatement, not to exceed the amount of his or her accumulated contributions as it was at the date of retirement.
- (d) When a Retired Participant is reinstated from retirement on or after September 4, 2011 under Section 27.18, and pursuant to said reinstatement becomes employed in County Bargaining Unit 4 or 12, his or her retirement allowance shall be canceled forthwith, and he or she shall become a Tier Two Miscellaneous Member of this Plan as of the date of reinstatement. His or her individual account shall be credited with an amount which is the actuarial equivalent of his or her annuity at the date of reinstatement, not to exceed the amount of his or her accumulated contributions as it was at the date of retirement.
- (e) When a Retired Participant is reinstated from retirement on or after September 4, 2011 under Section 27.18, and pursuant to said reinstatement becomes employed in County Bargaining Unit 14, 21 or 22, his or her retirement allowance shall be

canceled forthwith, and he or she shall become a Tier Two Miscellaneous Member of this Plan as of the date of reinstatement. His or her individual account shall be credited with an amount which is the actuarial equivalent of his or her annuity at the date of reinstatement, not to exceed the amount of his or her accumulated contributions as it was at the date of retirement.

Section 27.20 Authority of Board of Trustees re: Recipients of Disability Retirement. The Board of Trustees may require any recipient of a Disability Retirement Allowance, who is under the minimum age for voluntary retirement for service applicable to Members of his or her class, to undergo medical examination. Such examination shall be made by a physician or surgeon appointed by the Trustees, at the expense of the Pension Trust. Upon the basis of such examination, the Board of Trustees shall determine whether he or she is still incapacitated, physically or mentally, for duty in the position held by him when retired for disability.

If the Board of Trustees determines that such recipient is not so incapacitated for duty in the position held when retired for disability, his or her Disability Retirement Allowance shall be canceled forthwith and he or she shall become a Member of the Pension Trust.

If any recipient of a Disability Retirement Allowance is under the minimum age for voluntary retirement for service applicable to members of his or her class and refuses to submit to medical examination, the pension portion of his or her allowance may be discontinued until his or her withdrawal of such refusal. If such refusal continues for one year, his or her Disability Retirement Allowance may be canceled.

Section 27.21 Disposition of Retirement Allowance on Reinstatement from Disability Retirement.

- (a) If a recipient of a Disability Retirement Allowance is reinstated from retirement and becomes employed in County Bargaining Unit 7, 8, 9, 10, 11 or 17 on or after December 26, 2010, his or her Disability Retirement Allowance shall be canceled and he or she shall immediately become a Tier Two Member of the Pension Trust. His or her individual account shall be credited with an amount which is the actuarial equivalent of his or her annuity at that time, but not exceeding the amount of his or her accumulated contributions at the time of his or her retirement for disability. He or she shall receive credit for service that is on or after December 26, 2010 in the same manner as though he or she had never been retired for disability.
- (b) If a recipient of a Disability Retirement Allowance is reinstated from retirement and becomes employed in County Bargaining Unit 1, 5 or 13 on or after April 17, 2011, his or her Disability Retirement Allowance shall be canceled and he or she shall immediately become a Tier Two Member of the Pension Trust. His or her individual account shall be credited with an amount which is the actuarial equivalent of his or her annuity at that time, but not exceeding the amount of his or her accumulated contributions at the time of his or her retirement for disability.

- He or she shall receive credit for service that is on or after April 17, 2011 in the same manner as though he or she had never been retired for disability.
- (c) If a recipient of a Disability Retirement Allowance is reinstated from retirement and becomes employed in County Bargaining Unit 2 on or after July 24, 2011, his or her Disability Retirement Allowance shall be canceled and he or she shall immediately become a Tier Two Member of the Pension Trust. His or her individual account shall be credited with an amount which is the actuarial equivalent of his or her annuity at that time, but not exceeding the amount of his or her accumulated contributions at the time of his or her retirement for disability. He or she shall receive credit for service that is on or after July 24, 2011 in the same manner as though he or she had never been retired for disability.
- (d) If a recipient of a Disability Retirement Allowance is reinstated from retirement and becomes employed in County Bargaining Unit 4 or 12 on or after September 4, 2011, his or her Disability Retirement Allowance shall be canceled and he or she shall immediately become a Tier Two Member of the Pension Trust. His or her individual account shall be credited with an amount which is the actuarial equivalent of his or her annuity at that time, but not exceeding the amount of his or her accumulated contributions at the time of his or her retirement for disability. He or she shall receive credit for service that is on or after September 4, 2011 in the same manner as though he or she had never been retired for disability.
- (e) If a recipient of a Disability Retirement Allowance is reinstated from retirement and becomes employed in County Bargaining Unit 14, 21 or 22 on or after September 4, 2011, his or her Disability Retirement Allowance shall be canceled and he or she shall immediately become a Tier Two Member of the Pension Trust. His or her individual account shall be credited with an amount which is the actuarial equivalent of his or her annuity at that time, but not exceeding the amount of his or her accumulated contributions at the time of his or her retirement for disability. He or she shall receive credit for service that is on or after September 4, 2011 in the same manner as though he or she had never been retired for disability.

Section 27.22 Accrual of Retirement Allowance after Reinstatement. When a Retired Participant is reinstated from retirement under Section 27.18, his or her future rate of contribution shall be fixed as of the date of his or her reinstatement and his or her retirement allowance upon subsequent retirement shall be determined in accordance with the provisions of Article 27.

Section 27.23 Election Of Options. The provisions of Article 13: Election of Options as set forth in this Retirement Plan shall apply to Members subject to this Article 27 in accordance with the other benefits and rights afforded by Article 27.

Section 27.24 (reserved).

Section 27.25 Two Percent Cost of Living Adjustment for Retired Participants who were Tier Two Miscellaneous Members and who were not employed by the County Employer prior to December 26, 2010. Commencing with the determination to be

made by the Board of Trustees effective April 1, 2011, and for each such determination thereafter, the maximum annual Cost of Living Adjustment for a Retired Participant who was a Tier Two Miscellaneous Member and who was not employed by the County Employer prior to December 26, 2010, shall not exceed 2% per year and as is set forth in Section 19.01; and, Section 19.02 shall not be applicable. Notwithstanding Section 19.01, there shall be no accumulation of Cost of Living Adjustments beyond the annual maximum of 2% provided herein.

- (a) This Section 27.25 shall apply only to Retired Participants whose date of membership in the Pension Trust occurred on or after December 26, 2010, (for Members employed in Bargaining Unit 7, 8, 9, 10, 11 or 17) and who were not previously employed by the County Employer.
- (b) This Section 27.25 shall apply only to Retired Participants whose date of membership in the Pension Trust occurred on or after April 17, 2011, (for Members employed in Bargaining Unit 1, 5 or 13) and who were not previously employed by the County Employer.
- (c) This Section 27.25 shall apply only to Retired Participants whose date of membership in the Pension Trust occurred on or after July 24, 2011, (for Members employed in Bargaining Unit 2) and who were not previously employed by the County Employer.
- (d) This Section 27.25 shall apply only to Retired Participants whose date of membership in the Pension Trust occurred on or after September 4, 2011 (for Members employed in Bargaining Unit 4 or 12) and who were not previously employed by the County Employer.
- (e) This Section 27.25 shall apply only to Retired Participants whose date of membership in the Pension Trust occurred on or after September 4, 2011 (for Members employed in Bargaining Unit 14, 21 or 22) and who were not previously employed by the County Employer.

Notwithstanding Section 19.03(b), the COLA provided for by this Section 27.25 shall be considered part of the normal cost for the pension benefit and the allocation of said normal cost is subject to negotiation between the employer and employees.

Section 27.26 No Eligibility For DROP. The provisions of Article 26 shall not apply to any Member subject to the provisions of Article 27.

Section 27.27 Other Provisions. Unless otherwise set forth in this Article 27, all other provisions of the Retirement Plan applicable to Miscellaneous Members shall apply to Tier Two Miscellaneous Members and Tier Two Retired Participants.

Section 27.28 Prospective Application of Changes. Any future enhancements to the Tier 2 Plan shall be prospective only.

(3-22-11)(07-12-2011)(07-19-2011)(08-23-2011)

EXHIBIT B

ARTICLE 8: MEMBERS

Section 8.01: Member. "Member" means a County Employee or an Elected Officer of the County who is eligible under Article 3 hereof to make contributions to the Trust pursuant to Article 5 hereof and is participating in the Trust pursuant to Article 4 hereof. "Member" shall include "Miscellaneous Member", and "Safety Member" and "Probation Officer Member".(12-11-90)

Section 8.02: Sworn Safety Member: "Sworn Safety Member" shall mean only:

- (a) the Sheriff-Coroner of the County (only for persons holding this elective County office on or after July 24, 1988), and
- (b) those County Employees whose principal duties consist of active law enforcement or ~~active fire suppression~~ and who are employed in the following civil service classifications:
 - (1) Sheriff's Chief Deputy,
 - (2) Sheriff's Commander,
 - (3) Sergeant,
 - (4) Sheriff's Senior Deputy,
 - (5) Deputy Sheriff,
 - ~~(6) Sheriff's Correctional Lieutenant~~
 - ~~(7) Sheriff's Senior Correctional Officer~~
 - ~~(8) Sheriff's Correctional Officer,~~
 - ~~(9) Sheriff's Correctional Sergeant,~~
 - (6) Undersheriff
 - ~~(11) District Attorney Investigator I, II and III,~~
 - ~~(12) Chief District Attorney Investigator,~~
 - ~~(13) Fire Chief,~~
 - ~~(14) Assistant Fire Chief,~~
 - ~~(15) Fire Captain,~~
 - ~~(16) Fire Engineer, and~~
 - ~~(17) Fireman.~~

Sworn Safety Member shall not mean, nor shall it include, any County Employee in the civil service classifications of Sheriff's Cadet, Sheriff's Forensic Specialist, Crime Prevention Specialist, Sheriff's Property Officer, Sheriff's Dispatcher, Sheriff's Senior Dispatcher, or Sheriff's Dispatcher Supervisor.

(4-11-77) (11-17-80) (1-8-85) (7-05-88) (03-07-06)(08-23-2011)

Section 8.02.1: Non-Sworn Safety Member: Non-Sworn Safety Member shall mean only those County Employees whose principal duties consist of active law enforcement and who are employed in the following civil service classifications:

- (1) Sheriff's Correctional Lieutenant,

- (2) Sheriff's Senior Correctional Deputy,
- (3) Sheriff's Correctional Deputy,
- (4) Sheriff's Correctional Sergeant,
- (5) District Attorney Investigator I, II and III,
- (6) Chief District Attorney Investigator

Non-Sworn Safety Member shall not mean, nor shall it include, any County Employee in the civil service classifications of Sheriff's Cadet, Sheriff's Forensic Specialist, Crime Prevention Specialist, Sheriff's Property Officer, Sheriff's Dispatcher, Sheriff's Senior Dispatcher, or Sheriff's Dispatcher Supervisor. (08-23-2011)

Section 8.02.2 Safety Member Fire Suppression Reserve: Safety Member Fire Suppression Reserve shall mean only those Reserve Participants whose principal duties consisted of active fire suppression and who were employed by the County of San Luis Obispo in the following positions and who have left their accumulated Contributions on deposit:

- (1) Fire Chief,
- (2) Assistant Fire Chief,
- (3) Fire Captain,
- (4) Fire Engineer, and
- (5) Fireman

Section 8.03: Miscellaneous Member. "Miscellaneous Member" means all Members of the Retirement Plan except Safety Members or Probation Officer Members.
(4-11-77) (7-05-88) (12-11-90)

Section 8.04: Probation Officer Member.

- (a) Probation Officer Member shall mean only those County Employees who are employed in the following civil service classifications:

- (1) Chief Probation Officer
- (2) Deputy Chief Probation Officer
- (3) Probation Division Manager
- (4) Deputy Probation Officer I, II and III
- (5) Juvenile Services Officer I, II and III
- (6) Supervising Deputy Probation Officer
- (7) Supervising Juvenile Services Officer (3-18-97) (3-07-2000) (12-17-2002)

- (b) Members who were employed in those civil service classifications set forth in (1),(2),(3) or (4) of subparagraph (a) of this Section 8.04 prior to December 23, 1990, shall be classified as Probation Officer Members for all service rendered on or after December 23, 1990. Service rendered by said Probation Officer Members prior to December 23, 1990, shall continue to be classified as Miscellaneous Member Service for the purpose of Article 6 of the Plan, except as to any of said Probation Officer Members who exercise the election set forth in Section 2.15 of the Plan.(3-18-97)

- (c) Any Member who was employed in any of the civil service classifications set forth in (1),(2),(3) or (4) of subparagraph (a) of this Section 8.04 on or before December 22, 1990, may elect, within ninety days of the effective date of this Section, to remain subject to the miscellaneous service retirement benefit and contribution rate by filing an irrevocable notice with the Board of Trustees. Any Member who so elects, shall be classified as a Miscellaneous Member and all references herein to Probation Officer Member shall not apply to said Miscellaneous Member.
(9-22-73) (8-8-83) (11-7-89) (12-11-90) (3-18-97)
- (d) A Member employed in the civil service classification set forth in (5) of subparagraph (a) of this Section 8.04 shall have the right to convert to Probation Officer Member service credit any Pension Trust Service Credit earned by said member while employed in the civil service classifications set forth on subparagraph (a) (5) of this Section 8.04. Such election to convert said service credit and contributions required thereon as a result of said election shall be made prior to the Member's effective date of retirement.(3-18-97)

EXHIBIT C

ARTICLE 28: TIER TWO – SAFETY

Section 28.01: Applicability.

This Article shall apply to:

- (a) Any Non-Sworn Safety Member who becomes a County Employee of the County of San Luis Obispo on or after September 4, 2011 and who has never been a County Employee of the County of San Luis Obispo prior to said date and who is employed in County Bargaining Unit 3 or 14.
- (b) RESERVED
- (c) RESERVED
- (d) RESERVED
- (e) RESERVED
- (f) RESERVED
- (g) Any Non-Sworn Safety Member who had ceased to be a Member and a County Employee and who had withdrawn his or her Accumulated Contributions, and who later resumes County Employment with the County of San Luis Obispo on or after September 4, 2011 and who is employed in County Bargaining Unit 3 or 14, as to all Pension Trust Service Credit (PTSC) accrued on or after said date. If the Member described in this Section 28.01 (g) elects to redeposit an amount equal to all of his or her previously withdrawn Accumulated Normal Contributions, plus regular interest thereon to the date of the redeposit, his or her previous PTSC shall be recognized for purposes of this Retirement Plan and shall be subject to and administered in accordance with the benefit provisions under which said PTSC was originally accrued. Provided however, that PTSC accrued as a result of the Member's resumption of County Employment with the County of San Luis Obispo on or after September 4, 2011, shall be subject to the provisions of this Article 28.
- (h) RESERVED
- (i) RESERVED
- (j) RESERVED
- (k) RESERVED
- (l) RESERVED

(m) RESERVED

(n) Any Non-Sworn Safety Member who reinstates from retirement pursuant to Article 11 of this Retirement Plan on or after September 4, 2011 and who upon reinstatement, resumes County Employment with the County of San Luis Obispo in County Bargaining Unit 3, or 14 as to all Pension Trust Service Credit accrued on or after said date subject to the following:

- a. Upon subsequent retirement, his or her retirement allowance shall be determined as follows:
 - i. For PTSC accrued prior to the Member's original Retirement Effective Date before September 4, 2011, his or her allowance shall be determined in accordance with the provisions of Article 6.
 - ii. For PTSC accrued after Reinstatement from Retirement on or after September 4, 2011, his or her allowance shall be determined in accordance with the provisions of this Article 28.
- b. RESERVED

(o) RESERVED

(p) RESERVED

(q) Sworn Safety Members and Non-Sworn Safety Members and/or Reserve Participants who are subject to this Article 28 are sometimes referred to herein as Tier Two Safety Members and /or Tier Two Safety Reserve Participants.

(r) Tier Two Safety Reserve Participant means a person who was formerly a Tier Two Sworn Safety Member or Tier Two Non-Sworn Safety Member and whose County Employment or term of office was terminated for any reason other than death or retirement and who elected at time of termination to leave his or her accumulated contributions on deposit with the Pension Trust and who subsequently:

- a. Becomes a Tier Two Non Sworn Safety Member employed by the County of San Luis Obispo in Bargaining Unit 3 or 14 on or after September 4, 2011 or
- b. Becomes a Tier Two Non Sworn Safety Member employed by the County of San Luis Obispo in Bargaining Unit 3 or 14 on or after September 4, 2011 and then becomes a member of a reciprocal system under the provisions of Article 20 of this Plan.
- c. RESERVED

(s) A Tier Two Safety Reserve Participant is entitled to a service retirement allowance after he or she reaches the age at which he or she would be eligible for the service retirement allowance, except that a Tier Two Safety Reserve Participant shall not be entitled to the

minimum retirement allowance provided by Section 6.05 of this Retirement Plan. The service retirement allowance of a Tier Two Safety Reserve Participant, shall be based on his or her Pension Trust Service Credit and Tier Two Final Compensation prior to his or her termination from County Employment. A Tier Two Safety Reserve Participant may, before applying for retirement, withdraw his or her accumulated contributions in lieu of any and all other rights and benefits he or she may be entitled to under this Retirement Plan and shall then cease to have any membership affiliation with the Pension Trust. A Tier Two Safety Reserve Participant is not entitled to any disability retirement allowance under this Retirement Plan except as provided in Article 20 of this Retirement Plan.

Section 28.02: Tier Two Non-Sworn Safety Member Service Retirement Allowance.

- (a) Notwithstanding the provisions of Article 6, the Service Retirement Allowance for a Tier Two Non-Sworn Safety Member shall be a retirement allowance equal to the member's Tier Two Final Compensation as provided in Section 28.03 of this Retirement Plan multiplied by the Member's Tier Two Attained Age Percentage Factor as shown below, multiplied by the Member's Pension Trust Service Credit accrued in accordance with the provisions of Section 28.01.
- (b) The Tier Two Attained Age Percentage Factor to be used under this Section 28.02 shall be based on the Tier Two Member's last attained quarter year of age as of the effective date of retirement as set forth in the following table:

Last Attained Age as of Effective Date of Retirement	Attained Age Percentage Factor (%)	Last Attained Age as of Effective Date of Retirement	Attained Age Percentage Factor (%)	Last Attained Age as of Effective Date of Retirement	Attained Age Percentage Factor (%)	Last Attained Age as of Effective Date of Retirement	Attained Age Percentage Factor (%)
50.00	2.000	51.50	2.210	53.00	2.420	54.50	2.630
50.25	2.035	51.75	2.245	53.25	2.455	54.75	2.665
50.50	2.070	52.00	2.280	53.50	2.490	55 & older	2.700
50.75	2.105	52.25	2.315	53.75	2.525		
51.00	2.140	52.50	2.350	54.00	2.560		
51.25	2.175	52.75	2.385	54.25	2.595		

- (c) In no event shall the Service Retirement Allowance accrued by Members Employed in Bargaining Unit 3 or 14 pursuant to this Section be greater than 90% of the Tier Two Member's Tier Two Final Compensation.

Section 28.02.1: RESERVED

Section 28.03: Tier Two Compensation means the remuneration for a County Employee's services paid to the County Employee by the County of San Luis Obispo, from the funds of the

County of San Luis Obispo according to the County of San Luis Obispo's basic salary schedule, but "compensation" shall not include differential pay, and/or overtime pay, and/or pick up of Normal Contributions furnished by the County pursuant to Internal Revenue Code 414 (h), and/or the monetary value of board, lodging, fuel, laundry, auto allowances or other pay or advantages furnished to a County Employee by the County of San Luis Obispo, unless otherwise determined by the Board of Trustees with the concurrence of the Board of Supervisors. For an elected officer, "compensation" shall have the same meaning as the foregoing. For any Elected Officer whose compensation is not set forth in the said basic salary schedule, "compensation" means the salary provided for said Elected Officer by the Board of Supervisors or by law.

Section 28.04: Tier Two Compensation Earnable means the average monthly compensation, as determined by the Board of Trustees for the pay period under consideration on the basis of the average number of days paid as worked by persons in the same grade or class of position during the pay period, and at the same rate of pay. The computation for any absence shall be based on compensation of the position held by the Tier Two Safety Member at the beginning of the absence.

Section 28.05: Tier Two Final Compensation.

(a) Notwithstanding any other provision of the Retirement Plan, for a Tier Two Safety Member, Tier Two Final Compensation means the average monthly Compensation Earnable by a Tier Two Safety Member:

- (1) during any 36 consecutive months elected by a Tier Two Safety Member at or before the time the Member files an application for retirement, or if the Member fails to elect,
- (2) during the 36 consecutive months of the Tier Two Safety Member's highest Compensation Earnable while a Member of this Pension Trust.

(b) Notwithstanding any other provision of the Retirement Plan for a Tier Two Reserve Participant, Tier Two Final Compensation means the average monthly Compensation Earnable by a Tier Two Safety Reserve Participant while a Tier Two Safety Member:

- (1) during any consecutive 36 month period of employment immediately preceding his or her last date of separation from service with the County of San Luis Obispo or any consecutive 36 month period of Membership elected by the Tier Two Safety Reserve Participant at or before the time the Tier Two Safety Reserve Participant files an application for retirement, or if the Tier Two Safety Reserve Participant fails to elect,
- (2) during the 36 consecutive months of the Tier Two Safety Reserve Participant's highest Compensation Earnable while a Tier Two Safety Member of this Pension Trust.

Section 28.06: Tier Two Normal Contributions. Tier Two Normal Contribution means contributions made to the Pension Trust by, or on behalf of, a Tier Two Safety Member at the

normal rate of contribution provided for by Section 28.11 of this Retirement Plan, but does not include Additional Contributions.

Section 28.07: Tier Two Additional Contributions. Tier Two Additional Contributions means contributions made to the Pension Trust by, or on the behalf of, a Tier Two Safety Member in addition to normal contributions.

Section 28.08: "Tier Two Accumulated Normal Contributions" means the sum of all Tier Two Normal Contributions to the credit of the Tier Two Safety Member's individual account and regular interest thereon.

Section 28.09: "Tier Two Accumulated Additional Contributions" means the sum of all Tier Two Additional Contributions standing to the credit of a Tier Two Safety Member's individual account and any regular interest thereon provided for by the Board of Trustees.

Section 28.10: "Tier Two Accumulated Contributions" means Tier Two Accumulated Normal Contributions plus any Tier Two Accumulated Additional Contributions standing to the credit of a Tier Two Safety Member's account.

Section 28.11: Normal Rate of Contribution for Tier Two Safety Members. Effective September 4, 2011, and continuing thereafter in the absence of affirmative contrary action by the Board of Supervisors, the normal rates of contribution for Tier Two Safety Members shall be those set forth in Appendix B hereof.

Section 28.12: Tier Two Additional Contributions. A Tier Two Safety Member may make Tier Two Additional Contributions to the Pension Trust from his or her compensation. The County of San Luis Obispo may make appropriations to the Pension Trust designated as Tier Two Additional Contributions on behalf of designated Members. In the event that the County of San Luis Obispo shall designate certain of its appropriations to the Pension Trust as contributions made on behalf of Tier Two Safety Members under Section 414 (h) of the U.S. Code, and in the event that said appropriations are in excess of the amount required to pay the Normal Contributions of designated Tier Two Safety Members, then the said excess amounts shall be considered to be the Additional Contributions of the designated Tier Two Safety Members.

Additional Contributions will be credited bi-weekly with interest at a rate to be determined by the Board of Trustees.

The Accumulated Additional Contributions in a Tier Two Safety Member's account or in a Tier Two Safety Reserve Participant's account shall be used to provide an additional allowance or benefits at retirement, which allowance or benefits shall have the same actuarial value as the Accumulated Additional Contributions in the Tier Two Safety Member's account or the Tier Two Safety Reserve Participant's account at the time of his or her retirement.

In the alternative, the Member, at the time of the Member's retirement may elect to either withdraw his or her Accumulated Additional Contributions in a lump sum or to have his or her

Accumulated Additional Contributions paid in an allowance in the same manner as the Member elects under the provisions of Article 13 of this Retirement Plan.

On or after September 4, 2011, a Tier Two Safety Member, at the time of the Member's retirement, may elect to receive his or her Additional Contributions in monthly installment payments over a period of years specified by the Member, said installment payments not to exceed ten years and which payments shall terminate at the end of the installment period or at death. Upon the death of a Tier Two Retired Participant who has elected installment payments pursuant to this paragraph, any Additional Contributions remaining in the Retired Participant's Additional Contribution account shall be paid to the Retired Participant's designated beneficiary.

Section 28.13: Deduction of Contributions. A Tier Two Safety Member's contributions shall be deducted by the County Auditor, or other officer charged with the duty of drawing salary or wage warrants from the salary or wage warrants drawn in each pay period in favor of each Tier Two Safety Member, and such deduction shall be paid to the Pension Trust and placed to the credit of each Tier Two Safety Member's regular account in accordance with the provisions of this Retirement Plan.

Section 28.14: Death Benefits. The provisions of Article 7: Death Benefits, as set forth in this Retirement Plan, shall apply to Members subject to this Article 28 in accordance with the other benefits and rights afforded by Article 28.

Section 28.15: Eligibility for Service Retirement Allowance for Tier Two Safety Member. Normal Retirement Age for Tier Two Safety Members is age 55. A Tier Two Safety Member who commenced his or her most recent period of membership on or after September 4, 2011 and who is employed in County Bargaining Unit 3 or 14, is eligible to receive a Service Retirement Allowance upon attaining age 50 if he or she has five years of Pension Trust Service Credit.

Section 28.16: Disability Retirement Allowance. The provisions of Article 10: Disability Retirement Allowance as set forth in this Retirement Plan shall apply to Members subject to this Article 28 in accordance with the other benefits and rights afforded by Article 28.

Section 28.17: Reinstatement. A Retired Participant may be reinstated from retirement by the Board of Trustees, and thereafter may become a County Employee in accordance with the provisions governing such service, in the same manner as a person who has not been so retired.

Section 28.18: Requirements for Reinstatement.

- (a) The Board of Trustees may reinstate a Retired Participant from Service retirement upon his or her application to the Board of Trustees for reinstatement.
- (b) The Board of Trustees may reinstate a Retired Participant from Ordinary or Industrial Disability retirement:
 - (1) Upon his or her application to the Board of Trustees for reinstatement, or upon the petition of the Executive Secretary of the Pension Trust, and

- (2) Upon the determination of the Board of Trustees, based upon medical evidence, that said Retired Participant is not incapacitated physically or mentally for any position in the County for which the application or petition for reinstatement has been received.
- (3) Upon receipt of an application or petition for reinstatement from disability retirement, the Board of Trustees shall cause a medical examination to be performed in order to obtain said medical evidence

Section 28.19: Disposition of Retirement Allowance on Reinstatement.

- (a) When a Retired Participant is reinstated from retirement on or after September 4, 2011 under Section 28.18, and pursuant to said reinstatement becomes employed in County Bargaining Unit 3 or 14, his or her retirement allowance shall be canceled forthwith, and he or she shall become a Tier Two Safety Member of this Plan as of the date of reinstatement. His or her individual account shall be credited with an amount which is the actuarial equivalent of his or her annuity at the date of reinstatement, not to exceed the amount of his or her accumulated contributions as it was at the date of retirement.
- (b) RESERVED

Section 28.20: Authority of Board of Trustees re: Recipients of Disability Retirement. The Board of Trustees may require any recipient of a Disability Retirement Allowance, who is under the minimum age for voluntary retirement for service applicable to Members of his or her class, to undergo medical examination. Such examination shall be made by a physician or surgeon appointed by the Trustees, at the expense of the Pension Trust. Upon the basis of such examination, the Board of Trustees shall determine whether he or she is still incapacitated, physically or mentally, for duty in the position held by him when retired for disability.

If the Board of Trustees determines that such recipient is not so incapacitated for duty in the position held when retired for disability, his or her Disability Retirement Allowance shall be canceled forthwith and he or she shall become a Member of the Pension Trust.

If any recipient of a Disability Retirement Allowance is under the minimum age for voluntary retirement for service applicable to members of his or her class and refuses to submit to medical examination, the pension portion of his or her allowance may be discontinued until his or her withdrawal of such refusal. If such refusal continues for one year, his or her Disability Retirement Allowance may be canceled.

Section 28.21: Disposition of Retirement Allowance on Reinstatement from Disability Retirement.

- (a) If a recipient of a Disability Retirement Allowance is reinstated from retirement and becomes employed in County Bargaining Unit 3 or 14 on or after September 4, 2011, his or her Disability Retirement Allowance shall be canceled and he or she shall immediately become a Tier Two Safety Member of the Pension Trust. His or her individual account shall be credited with an amount which is the actuarial equivalent of his or her annuity at

that time, but not exceeding the amount of his or her accumulated contributions at the time of his or her retirement for disability. He or she shall receive credit for service that is on or after September 4, 2011 in the same manner as though he or she had never been retired for disability.

(b) RESERVED

Section 28.22: Accrual of Retirement Allowance after Reinstatement. When a Retired Participant is reinstated from retirement under Section 28.18, his or her future rate of contribution shall be fixed as of the date of his or her reinstatement and his or her retirement allowance upon subsequent retirement shall be determined in accordance with the provisions of Article 28.

Section 28.23: Election Of Options. The provisions of Article 13: Election of Options as set forth in this Retirement Plan shall apply to Members subject to this Article 28 in accordance with the other benefits and rights afforded by Article 28.

Section 28.24: (RESERVED).

Section 28.25: Two Percent Cost of Living Adjustment for Retired Participants who were Tier Two Safety Members and who were not employed by the County Employer prior to September 4, 2011 Commencing with the determination to be made by the Board of Trustees effective April 1, 2012, and for each such determination thereafter, the maximum annual Cost of Living Adjustment for a Retired Participant who was a Tier Two Safety Member and who was not employed by the County Employer prior to September 4, 2011 shall not exceed 2% per year and as is set forth in Section 19.01; and, Section 19.02 shall not be applicable. Notwithstanding Section 19.01, there shall be no accumulation of Cost of Living Adjustments beyond the annual maximum of 2% provided herein.

(a) This Section 28.25 shall apply only to Retired Participants whose date of membership in the Pension Trust occurred on or after September 4, 2011, (for Members employed in Bargaining Unit 3 or 14) and who were not previously employed by the County Employer.

(b) RESERVED

Notwithstanding Section 19.03(b), the COLA provided for by this Section 28.25 shall be considered part of the normal cost for the pension benefit and the allocation of said normal cost is subject to negotiation between the employer and employees.

Section 28.26: No Eligibility For DROP. The provisions of Article 26 shall not apply to any Member subject to the provisions of Article 28.

Section 28.27: Other Provisions. Unless otherwise set forth in this Article 28, all other provisions of the Retirement Plan applicable to Safety Members shall apply to Tier Two Safety Members and Tier Two Retired Participants.

Section 28.28: Prospective Application of Changes. Any future enhancements to the Tier 2 Plan shall be prospective only.

(08-23-11)