

**AGREEMENT
BETWEEN THE
CITY OF SAN DIEGO AND
SAN DIEGO POLICE OFFICERS ASSOCIATION (POA) RELATED TO
AMENDMENTS TO THE SUPPLEMENTAL PENSION SAVINGS PLAN AND
SUPPLEMENTAL PENSION SAVINGS PLAN-H**

Pursuant to the provisions of the Meyers-Milias-Brown Act (MMBA), the City of San Diego (City) and the San Diego Police Officers Association (POA) enter into this Side Letter Agreement (Agreement), related to the amendments to the City of San Diego's Supplemental Pension Savings Plan (SPSP) and Supplemental Pension Savings Plan H (SPSP-H). The City and POA are collectively referred to in this Agreement as the "Parties."

The City must amend the SPSP and SPSP-H Plans (collectively, the Plans) to comply with State and federal tax laws, and to maintain the tax-qualified status of the SPSP and SPSP-H Plans. At the same time, the City is proposing a number of substantive discretionary amendments to the Plans. The Parties have met and conferred in good faith in accordance with the MMBA regarding the proposed substantive discretionary amendments to the Plans, and have reached the following Agreement:

The Parties agree to the following substantive discretionary changes to the SPSP Plan:

- a. Section 3.01(a) will be amended to provide that beginning December 18, 2015, Mandatory Employee Contributions will be made on a pre-tax rather than a post-tax basis. Employee Voluntary Contributions will continue to be made on a post-tax basis.
- b. Section 6.01 will be amended to provide that a Participant with less than five years in the Plan may make a General Withdrawal of only those pre-tax employee contributions that have been in the Participant's account for at least two years. The rules for a General Withdrawal of post-tax employee contributions will not change.
- c. Section 6.02 will be amended to conform to the IRS safe harbor rules on hardship distributions. As a result, a Participant who takes a Hardship Withdrawal will be suspended from making Voluntary Contributions to SPSP, and from contributing to the 401(k) and 457(b) plans, for a period of six months after the hardship.
- d. Section 5.02(c) will be amended to add the SDCERS Trust Fund as an investment option under the SPSP Plan, subject to approval by the City Council, SDCERS and the Defined Contribution Board.
- e. Section 7.03 will be amended to increase the amount of time a non-spouse beneficiary has to take a full distribution of a deceased Participant's account from one to five years.
- f. Section 7.08(a) will be amended to allow a Participant who has separated from City service to take partial distributions from his or her account. Currently the only options are a full lump-sum distribution or an annuity beginning at retirement.
- g. Section 12.03 will be amended to conform to IRS safe harbor rules on Qualified Domestic Relations Orders. As a result, a Participant's alternate payee will be able to take a distribution of his or her

community property share of the account before the Participant terminates City service.

- II. The Parties agree to the following substantive discretionary changes to the SPSP-H Plan:
 - a. Section 3.01(b) will be amended to provide that beginning December 18, 2015, Employee Contributions will be made on a pre-tax rather than a post-tax basis.
 - b. Section 5.02(c) will be amended to add the SDCERS Trust Fund as an investment option under the SPSP Plan, subject to approval by the City Council, SDCERS and the Defined Contribution Board.
 - c. Section 6.02 will be amended to increase the amount of time a non-spouse beneficiary has to take a full distribution of a deceased Participant's account from one to five years.
 - d. Section 6.03 will be amended to allow a Participant who has separated from City service to take partial distributions from his or her account. Currently the only options are a full lump-sum distribution or an annuity beginning at retirement.
 - e. Section 11.04 will be amended to conform to IRS safe harbor rules on Qualified Domestic Relations Orders. As a result, a Participant's alternate payee will be able to take a distribution of his or her community property share of the account before the Participant terminates City service.

- II. Specific provisions in this Agreement supersede any previous agreements, whether oral and written, regarding the subject matter of this Agreement. However, all wages, hours, and other terms and conditions of employment presently enjoyed by POA-represented employees, and in the MOU, remain in full force and effect.

- III. The City will implement the Amended and Restated SPSP-H Plan upon final approval by the Council of this Agreement, and upon the passage of the Council Resolution adopting the Amended and Restated SPSP-H Plan.

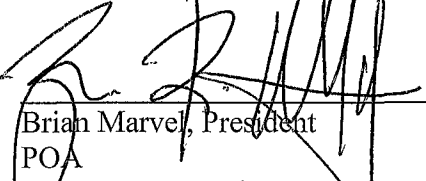
- IV. The City will conduct an election of the SPSP Plan participants in October 2015 to seek approval of the discretionary amendments to the SPSP Plan. If the discretionary amendments are approved by a majority of the participants who cast votes in the election, the City will implement the Amended and Restated SPSP Plan upon final approval by the Council of this Agreement, and upon the passage of the Council Resolution adopting the Amended and Restated SPSP Plan.

- V. This Agreement will remain in effect unless it is modified through further negotiations in accordance with the MMBA and Council Policy 300-06.


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RELATED TO AMENDMENTS TO THE SPSP AND SPSP-H PLANS
October, 2015
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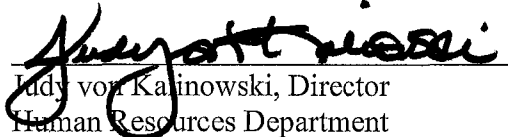
This Agreement is executed, by the following authorized representatives of each party:

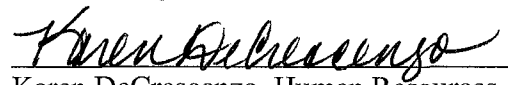
San Diego Police Officers Association

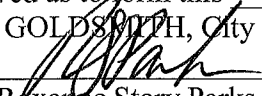
By: 
Brian Marvel, President
POA
Date: 10/08/15

City of San Diego

By: 
Timothy Davis
Lead Negotiator
Date: 10/26/15

By: 
Judy von Kalinowski, Director
Human Resources Department
Date: 10/26/15

By: 
Karen DeCrescenzo, Human Resources
Deputy Director
Human Resources Department
Date: October 7, 2015

Approved as to form this 17th day of November, 20 15.
JAN I. GOLDSMITH, City Attorney
By: 
Roxanne Story Parks
Deputy City Attorney