

ORDINANCE NO.

**AN ORDINANCE OF THE CITY OF SAN JOSE AMENDING
VARIOUS SECTIONS OF CHAPTERS 3.28 AND 3.36 OF
TITLE 3 OF THE SAN JOSE MUNICIPAL CODE TO
IMPLEMENT THE TERMS OF THE ALTERNATIVE
PENSION REFORM SETTLEMENT FRAMEWORK
AGREEMENT WITH CITY EMPLOYEE BARGAINING
GROUPS**

WHEREAS, on November 8, 2016, San José voters approved Measure F, which modified provisions of Title 3 of the San José Municipal Code which were previously adopted by Measure B, approved by San José voters on June 5, 2012; and

WHEREAS, in order to implement Measure F, the following changes are required to be made to Title 3; and

WHEREAS, the ordinance will also include modifications to Title 3 to allow re-enrollment after alternative health coverage and flexibility in designation of death benefit;

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SAN JOSE:

SECTION 1. Section 3.28.200 of Chapter 3.28 of Title 3 of the San José Municipal Code is amended to read as follows:

3.28.200 Authority to Adopt Tables, Revise Contribution Rates

- A. Upon the basis of any or all of such investigations, valuations and determinations, the Board shall adopt such mortality, service and other tables, actuarially assumed annual rate of return, and other actuarial assumptions as it may deem reasonably necessary, and, subject to such limitations as are set forth elsewhere in this Chapter, it shall fix and from time to time make such revisions or changes in the rates of contribution required of members and of the City as it may determine reasonably necessary to provide the benefits provided for by this Retirement Plan and make this System at all times actuarially sound in a manner consistent with Article XVI, Section 17 of the California Constitution (the "1992 California Pension Protection Act"); provided that, as may be otherwise provided elsewhere in this Chapter, the share of the normal cost portion of contributions made to the Plan on behalf of the City and members who are not Tier 2 members shall at all times be shared in the ratio of three to eight (3:8), except as provided for in Section 3.28.200.A.1 and Section 3.28.200.A.2 with the City bearing the

total cost of any associated actuarially accrued unfunded liability for such members. For Tier 2 members, except as provided in Section 3.28.200.B, the proportionate share of contributions on behalf of the City and Tier 2 members shall at all times be in the ratio of one for the City to one for the Tier 2 members (1:1) (sharing equally), including any unfunded actuarially accrued liability.

1. Notwithstanding the foregoing, the following shall apply to the manner of determining and making additional contributions attributable to the cost associated with reclassifying on behalf of the City and members who had been prior members of this Plan and then, who became Tier 2 members prior to between September 30, 2012 and June 186, 2017, but on and after September 30, 2012 and thereafter remain in the Plan but are no longer considered Tier 2 members as defined under Section ~~3.28.030.28~~. The costs, including but not limited to, any 3.28.030.28 ("Reclassified Tier 1 Member"). The additional contributions described in this Section 3.28.200.A.1 are attributable to the entire cost associated with treating Tier 2 service earned by a Reclassified Tier 1 Member as Tier 1 service, including any increase in the unfunded actuarial accrued liability, associated with benefit changes adopted on June 16, 2017 for such members any amounts associated with moving such members from Tier 2 status to non-Tier 2 status, will be amortized as a separate liability over twenty (20) years or other period determined by the Board. of the benefits. The entire cost associated with treating such Tier 2 service as Tier 1 service, including the increased UAL cost (will be referred to as the "Total UAL Increase." } The Total UAL Increase shall be determined for each affected member individually by the Board's actuarial-based upon that member's age, years of service, salary, length of Tier 2 service and other relevant actuarial factors. As a result, the amortization schedule for each Reclassified Tier 1 Member's Total UAL Increase may vary. Notwithstanding the cost sharing ratio for ~~non-Tier 21~~ members described in the first paragraph of this Section 3.28.200.A above, the ~~costs described in this Section 3.28.200.A.1 shall at all times~~ Total UAL Increase attributable to Reclassified Tier 1 Members shall be shared in a ratio of one for the City and one for the ~~affected member~~ Reclassified Tier 1 Member (1:1) and will be reflected as soon as practicable as an increase in the ~~monthly~~ contribution rates ~~for of these the affected members~~ Reclassified Tier 1 Members. As a condition of receiving his or her full Tier 1 benefit, a Members who are reclassified from Tier 2 membership to Tier 1 membership, shall be referred to as Reclassified Tier 1 members for purposes of this Section 2.28.200. A.1. Reclassified Tier 1 members Members shall must:
 - i. i- pay his or her Total UAL Increase plus accrued interest on the Reclassified Tier 1 Member's Total UAL Increase at the Plan's assumed rate of return from the date the Total UAL Increase is

- calculated until fully repaid (the "Reclassified Tier 1 Member Obligation"); and
- ~~i.ii.~~ in addition to making the required Tier 1 member contributions, be individually responsible for his or her Reclassified Tier 1 Member Obligation and commence paying his or her Reclassified Tier 1 Member Obligation as soon as practicable after the board determines the amount of such obligation; and the cost, including any unfunded liability, associated with the transition from Tier 2 to Tier 1 membership and
- ~~ii.iii.~~ sign a legally binding agreement setting forth the terms and conditions of his or her Tier 1 member status under the Plan; and must execute a legally binding agreement with the City setting forth the terms and conditions of his or her Reclassified Tier 1 member status under the Plan and payment of his or her Reclassified Tier 1 Member Obligation; and
- ~~iii.iv.~~ any fully satisfy any outstanding balance of his or her Reclassified Tier 1 Member Obligation must be satisfied on or before the later of sixty (60) calendar days following the date of the Reclassified Tier 1 Member's separation from City service or receipt of the final remaining balance calculation of such member's Reclassified Tier 1 Member Obligation from the Board passage of [Insert Ordinance No.]. If the entire balance of the Reclassified Tier 1 Member Obligation is not satisfied by such date, benefits for such Reclassified Tier 1 Member shall be determined in accordance with Section 3.28.820.E. ii. in addition to making the contributions required of Tier 1 members, make additional contributions to pay the entire cost, including any unfunded liability, of the transition from Tier 2 to Tier 1 membership. The additional contributions shall be determined by the Board's actuary and may be based, at least in part, on the period of time each Reclassified Tier 1 member spent as a Tier 2 member prior to reclassification. As a result, the amortization schedule for each Reclassified Tier 1 member may; and
2. ~~iii. any outstanding balance associated with a Reclassified Tier 1 member's liability for the cost of transition from Tier 2 to Tier 1 membership must be satisfied upon separation from City service. Any outstanding balance attributable to such Reclassified Tier 1 member's liability must be paid in accordance with Section 3.28.820.700. The City shall pay its share of the Total UAL increase through the Plan's amortization of the Plan's UAL as determined by the Board upon the recommendation of its actuary. The City's obligation includes any actuarial gains and losses associated with the Total UAL increase, including interest from time to time at the Plan's assumed rate or return.~~

3. 2. Notwithstanding the foregoing, subdivisions 1 and 2 of this Section 3.28.200.A, the following shall apply to the manner of determining contributions on behalf of the City and members who accept employment on or after September 30, 2012 who is otherwise eligible for this Plan and who was an active member in another California public retirement system, with which this Plan has reciprocity under Part 21, and who has a break in service of less than six (6) months from that covered employment and employment with the City, other than those who meet the definition of new members as defined by Government Code Section 7522.04(f) as may be amended, but on and after June 16, 2017 remain in the Plan but are no longer considered Tier 2 members under the definition of Tier 2 member under Section 3.28.030.28. Any and all costs, including but not limited to any unfunded actuarial accrued liability, directly or indirectly associated with benefit changes adopted on June 16, 2017 for such members and any and all amounts associated with moving such members from Tier 2 status to non-Tier 2 status, will be amortized as a separate liability over twenty (20) years or such other period determined by the Board. Further, notwithstanding the cost sharing ratio for non-Tier 2 members described in the first paragraph of Section 3.28.200.A above, any and all costs described in this subsection 3.28.200.A.2-3, shall at all times be shared in the ratio of one for the City and one for the ~~affected~~ non-Tier 2 members who became a member as a result of Part 21 of Chapter 3.28 of the San José Municipal Code and is not a Tier 2 Member as defined under Section 3.28.030.28 (1:1) and will be reflected as soon as practicable in the ~~monthly~~ contribution rates for such members.

- B. Notwithstanding Section 3.28.200.A, the following shall apply to the manner of determining contributions on behalf of the City and members who are Tier 2 members on or after June 16, 2017:

1. The costs, including any unfunded actuarial accrued liability, associated with the Tier 2 benefit changes adopted on June 16, 2017 for members who were Tier 2 members prior to June 16, 2017, will be amortized as a separate liability over twenty (20) years or other period determined by the Board and will be reflected as soon as practicable in contribution rates to be shared equally among the City and all Tier 2 members and such increased rates shall not be subject to the incremental increases in amounts associated with unfunded actuarial accrued liability described in Section 3.28.200.B.2.
2. Other than provided in Section 3.28.200.A, in determining member contribution rates, to the extent an unfunded actuarial accrued liability is determined to exist with respect to the Plan, Tier 2 members will

contribute toward the amount of such amortized unfunded actuarial accrued liability by increasing the Tier 2 member contribution rate by one-third of one percent (0.33%) of compensation each year until such time as the cost of the unfunded actuarial accrued liability is being shared equally by the Tier 2 members and the City. Until such time as the Tier 2 members and the City are sharing such cost equally, the City will include in its contribution rate the amount of the amortized unfunded actuarial accrued liability that would otherwise have been paid by the Tier 2 members in such year.

SECTION 2. Section 3.28.820 of Chapter 3.28 of Title 3 of the San José Municipal Code is amended to read as follows:

3.28.820 Satisfaction of Liability for Reclassification as Tier 1

- A. A ~~member who is a~~ Reclassified Tier 1 ~~member~~Member (described under Section 3.28.200.A.1) ~~and leaves who separates from~~ City service prior to paying the full ~~cost of the transition from Tier 2 to Tier 1 membership, as that cost is~~amount of his or her Reclassified Tier 1 Member Obligation, as described in Section 3.28.200.A.1, is liable for and shall be required to pay any remaining balance ~~upon leaving City service or as may otherwise be provided in Subsection 3.28.700.E~~within sixty (60) calendar days following the later of his or her date of separation from City service or receipt of the final remaining balance calculation of such member's Reclassified Tier 1 Member Obligation from the Board. Notwithstanding the preceding sentence, any Reclassified Tier 1 Member who does not satisfy his or her Reclassified Tier 1 Member Obligation shall only be entitled to the reduced plan benefit described in Subsection 3.28.820.E.
- B. The outstanding balance owing and payable by the Reclassified Tier 1 ~~member~~Member shall be determined by the Board's actuary. In the event there is any dispute regarding the ~~amount attributable to obligation of~~ such Reclassified Tier 1 ~~member~~Member or any other issue related to the liability associated with ~~this the~~ reclassification ~~of his or her Tier 2 service to Tier 1 service,~~ the ~~board~~Board shall determine the issue based on the relevant information presented to the ~~board~~Board. Any decision made by the ~~board~~Board shall be final and binding.
- C. Subject to any limits on annual contributions imposed by Section 415 of the Internal Revenue Code of 1986, as amended, the Reclassified Tier 1 ~~member~~Member must satisfy the outstanding balance of his or her ~~liability~~Reclassified Tier 1 Member Obligation under Section 3.28.200.A.1, as determined by the Board's actuary, through either ~~ana~~ transfer or rollover from the employee's Internal Revenue Code Section 457(b) deferred compensation plan account or through a lump-sum after-tax payment.

- D. In order for a Reclassified Tier 1 ~~member~~Member to satisfy his or her outstanding ~~liability~~Reclassified Tier 1 Member Obligation, the member must make the payment in the time and manner established by the ~~board~~Board; provided however, the entire outstanding liability must be paid ~~concurrent with the Reclassified Tier 1 member's separation~~on or before the later of sixty (60) calendar days following the date of -separation from City service or receipt of the final remaining balance calculation of such member's Reclassified Tier 1 Member Obligation from the Board. Notwithstanding the preceding sentence, any Reclassified Tier 1 Member who does not satisfy his or her Reclassified Tier 1 Member Obligation shall only be entitled to the reduced plan benefit in Subsection 3.28.820.E or as may otherwise be provided in Subsection 3.28.820.E.
- E. ~~If a Reclassified Tier 1 member fails to satisfy her or her outstanding liability within sixth (60) days from the later of such Reclassified Tier 1 member's separation from City service or passage of this Section 3.28.820.E by the City Council of the City of San José, such member shall only receive a portion of the Tier 1 benefit provided under this Plan that is the actuarial equivalent (as determined in the sole discretion of the Boards in consultation with their actuaries) of the amount such member paid for under the applicable provisions of this Plan.~~Reclassified Tier 1 Member fails to satisfy or her Reclassified Tier 1 Member Obligation, within sixty (60) calendar days from the later of his or her date of separation from city service or receipt of the final remaining balance calculation of such member's Reclassified Tier 1 Member Obligation from the Board, the Reclassified Tier 1 Member shall only receive a portion of the Tier 1 benefit provided under this Plan that is the actuarial equivalent (as determined in the sole discretion of the Boards in consultation with their actuaries) of the amount such Reclassified Tier 1 Member paid for under the applicable provisions of this Plan.

SECTION 3. Section 3.36.410 of Chapter 3.36 of Title 3 of the San José Municipal Code is amended to read as follows:

3.36.410 Mortality, Service and Other Tables - Revision of Rates of Contribution

- A. Upon the basis of any or all of such investigations, evaluations and determinations, the Board shall adopt such mortality, service and other tables as may be necessary, and shall fix and from time to time change the rates of monthly contribution required of members and of the City as may be necessary to make this System at all times actuarially sound in a manner consistent with Article XVI, Section 17 of the California Constitution (the "1992 California Pension Protection Act") and to provide the benefits provided for in this Retirement Plan; provided that, as may be otherwise provided elsewhere in this Chapter, the proportionate share of contributions on behalf of the City and

members who are not Tier 2 members shall at all times be in the ratio of three to eight (3:8) except as provided in 3.36.410.A. For Tier 2 members, except as provided in Section 3.36.410.B, the proportionate share of contributions on behalf of the City and Tier 2 members shall at all times be in the ratio of one for the City to one for the Tier 2 members (1:1) (sharing equally), including any unfunded actuarially accrued liability.

1. Notwithstanding the foregoing, the following shall apply to the manner of determining and making additional contributions attributable to the cost associated with reclassifying members of this Plan who, on behalf of the City and members who prior to August 4, 2013 for Police and prior to January 1, 2015 for Fire, were non-Tier 2 members of this Plan and then became Tier 2 members prior to ~~March 31, 2017~~ June 18, 2017 but on and after ~~March 31, 2017~~ June 18, 2017 remain in the Plan but are no longer considered Tier 2 members as defined under Section 3.36.020.15 ("Reclassified Tier 1 Members"). ~~Any cost, including but not limited to any~~ The additional contributions described in this Section 3.36.410.A.1 are attributable to the entire cost associated with treating Tier 2 service earned by a Reclassified Tier 1 Member as Tier 1 service, including any increase in the unfunded actuarial accrued liability, associated with benefit changes adopted on March 31, 2017 for such members and any amounts associated with moving such members from Tier 2 status to non-Tier 2 status, will be amortized as a separate liability over sixteen (16) years or other period determined by the Board, of the benefits. The entire cost associated with treating former Tier 2 service as Tier 1 service, including the increased unfunded actuarial accrued liability will be referred to as the "Total UAL Increase." The Total UAL Increase shall be determined for each affected member individually by the Board's actuary as of as based upon that member's age, years of service, salary, length of Tier 2 service and other relevant actuarial factors. As a result, the amortization schedule for each Reclassified Tier 1 Member may vary. Notwithstanding the cost sharing ratio for ~~non-Tier 2~~ 21 members described in the first paragraph of this Section 3.36.410.A above, the ~~costs described in this subsection 3.36.410.A.1. shall at all times~~ Total UAL Increase shall be shared in ~~the~~ a ratio of one for the City and one for the affected member (1:1) and will be reflected as soon as practicable as an increase in the ~~monthly~~ contribution rates for ~~such such~~ Reclassified Tier 1 Members members. As a condition of receiving his or her the full Tier 1 benefit, a ~~Members who are reclassified from Tier 2 membership to Tier 1 membership, shall be referred to as Reclassified Tier 1 members for purposes of this Section 2.28.410A.1.~~ Reclassified Tier 1 Members shall must:
 - i. pay his or her Total UAL Increase plus accrued interest on the Reclassified Tier 1 Member's Total UAL Increase at the Plan's

assumed rate of return from the date the Total UAL Increase is calculated until fully repaid (the "Reclassified Tier 1 Member Obligation"); and

- ii. ~~i. be in addition to making the required Tier 1 Member contributions, be individually responsible for his or her Recalssified Tier 1 Member Obligation and commence for the cost, including any unfunded liability, associated with the transition from Tier 2 to Tier 1 membership and must sign a legally binding agreement setting forth the terms and conditions of his or her Tier 1 member status under the Plan paying his or her- Reclassified Tier 1 Member Obligation as soon as practicable after the board determines the amount of such obligation; and~~
- iii. ~~ii. in addition to making the contributions required of Tier 1 members, make additional contributions to pay the entire cost, including any unfunded liability, of the transition from Tier 2 to Tier 1 membership. The additional contributions shall be determined by the Board's actuary and may be based, at least in part, on the period of time each Reclassified Tier 1 member spent as a Tier 2 member prior to reclassification. As a result, the amortization schedule for each Reclassified Tier 1 member may vary a legally binding agreement with the City setting forth the terms and conditions of his or her Reclassified Tier 1 Member status under the Plan and payment of his or her Reclassified Tier 1 Member Obligation; and~~
- iv. ~~fully satisfy~~iii. ~~any outstanding any outstanding balance of his or her Reclassified Tier 1 Member Obligation on or before the later of sixty (60) calendar days following the date of the Reclassified Tier 1 Member's separation from City service or receipt of the final remaining balance calculation of such member's Reclassified Tier 1 Member Obligation from the Board. If the entire balance of the Reclassified Tier 1 Member Obligation is not satisfied by such date, benefits for such Reclassified Tier 1 Member shall be determined in accordance with Section 3.36.720.Ebalance associated with a Reclassified Tier 1 member's liability for the cost of transition from Tier 2 to Tier 1 membership must be satisfied upon separation from City service. Any outstanding balance attributable to such Reclassified Tier 1 member's liability must be paid in accordance with Section 3.28,720. or as may otherwise be provided in Subsection 3.36.720.E.~~

2. The City shall pay its share of the Total UAL increase through the Plan's amortization of the Plan's UAL as determined by the Board upon the recommendation of its actuary. The City's obligation includes any actuarial gains and losses associated with the Total UAL Increase, including interest from time to time at the Plan's assumed rate or return.
- 2.3. Notwithstanding the foregoing, the following shall apply to the manner of determining contributions on behalf of the City and members who accept employment in the Police Department or Fire Department of the City on or after January 1, 2013 who is otherwise eligible for this Plan and who was an active member in another California public retirement system, with which this Plan has reciprocity under Part 16, and who has a break in service of less than six (6) months from that covered employment and employment with the City, other than those who meet the definition of new members as defined by Government Code Section 7522.04(f) as may be amended, but on and after March 31, 2017 remain in the Plan but are no longer considered Tier 2 members under the definition of Tier 2 member under Section 3.36.020.15. Any and all costs, including but not limited to any unfunded actuarial accrued liability, directly or indirectly associated with benefit changes adopted on March 31, 2017 for such members and any and all amounts associated with moving such members from Tier 2 status to non-Tier 2 status, will be amortized as a separate liability over sixteen (16) years or other period determined by the Board. Further, notwithstanding the cost sharing ratio for non-Tier 2 members described in the first paragraph of Section 3.36.410.A above, any and all costs described in this subsection 3.36.410.A.23 shall at all times be shared in the ratio of one for the City and one for the ~~affected~~ non-Tier 2 members who became a member as a result of Part 16 of Chapter 3.36 of the San José Municipal Code and is not a Tier 2 Member as defined under Section 3.36.020.15 members (1:1) and will be reflected as soon as practicable in the ~~monthly~~ contribution rates for such members.
4. Members of this Plan who, prior to September 30, 2012 were Tier 1 members of the Plan established under Chapter 3.28 of the San Jose Municipal Code and became Tier 2 members of this Plan prior to March 31, 2017 and remained in this Plan after March 31, 2017 but are no longer considered Tier 2 members as defined under Section 3.36.020.15 shall also be considered "Reclassified Tier 1 Members." The reclassification of their Tier 2 service to Tier 1 service and the corresponding benefits of such reclassification for these Reclassified Tier 1 Members shall be subject to the same terms and conditions as the Reclassified Tier 1 Members identified in Section 3.36.410.A.1, including but not limited to those described in Section 3.36.410.A.1 and Section 3.36.720.

- B. Notwithstanding Section 3.36.410.A, the following shall apply to the manner of determining contributions on behalf of the City and members who are Tier 2 members on or after March 31, 2017:
1. The costs, including any unfunded actuarial accrued liability, associated with the Tier 2 benefit changes adopted on March 31, 2017 for members who were Tier 2 members prior to March 31, 2017 will be amortized as a separate liability over sixteen (16) years or other period determined by the Board and will be reflected as soon as practicable in contribution rates to be shared equally among the City and all Tier 2 members and such increased rates shall not be subject to the incremental increases in amounts associated with unfunded actuarial accrued liability described in Section 336.410112.
 2. Other than provided in Section 3.36.410.A, in determining member contribution rates, to the extent an unfunded actuarial accrued liability is determined to exist with respect to the Plan, Tier 2 members will contribute toward the amount of such amortized unfunded actuarial accrued liability by increasing the Tier 2 member contribution rate by one-third of one percent (0.33%) of compensation each year until such time as the cost of the unfunded actuarial accrued liability is being shared equally by the Tier 2 members and the City. Until such time as the Tier 2 members and the City are sharing such cost equally, the City will include in its contribution rate the amount of the amortized unfunded actuarial accrued liability that would otherwise have been paid by the Tier 2 members in such year.

SECTION 4. Section 3.36.720 of Chapter 3.36 of Title 3 of the San José Municipal Code is amended to read as follows:

3.36.720 Satisfaction of Liability for Reclassification as Tier 1

- A. A ~~member who is a~~ Reclassified Tier 1 ~~member~~Member under Section ~~3.28.410.3.36.410~~.A.1 ~~and leaves who separates from~~ City service prior to paying the full ~~cost of the transition from Tier 2 to Tier 1 membership, as that cost is~~amount of his or her Reclassified Tier 1 Member Obligation, as described in Section ~~3.28.410.3.36.410~~.A.1, is liable for and shall be required to pay any remaining balance ~~upon leaving City service or as may otherwise be provided in Subsection 3.36.720.E~~within sixty (60) calendar days following the later of the date of his or her separation from City service or receipt of the final remaining balance calculation of such member's Reclassified Tier 1 Member Obligation from the Board. Notwithstanding the preceding sentence, any Reclassified Tier 1 Member who does not satisfy his or her Reclassified Tier 1 Member Obligation

- shall only be entitled to to the reduced plan benefit described in Subsection 3.36.720.E.
- B. The outstanding balance owing and payable by the Reclassified Tier 1 ~~member~~Member shall be determined by the Board's actuary. In the event there is any dispute regarding the ~~amount attributable to payment obligation of~~ such Reclassified Tier 1 ~~member~~Member or any other issue related to the liability associated with ~~this~~the reclassification of his or her Tier 2 service to Tier 1 service, the ~~board~~Board shall determine the issue based on the relevant information presented to the ~~board~~Board. Any decision made by the ~~board~~Board shall be final and binding.
- C. Subject to any limits on annual contributions imposed by Section 415 of the Internal Revenue Code of 1986, as amended, the Reclassified Tier 1 ~~member~~Member must satisfy the outstanding balance of his or her Reclassified Tier 1 Member Obligation~~liability~~ under Section ~~3.28.200.3.36.410~~3.36.410.A.1, as determined by the Board's actuary, through either ~~and~~ transfer or rollover from the employee's Internal Revenue Code Section 457(b) deferred compensation plan account or through a lump-sum after-tax payment.
- D. In order for a Reclassified Tier 1 ~~member~~Member to satisfy his or her outstanding ~~liability~~Reclassified Tier 1 Member Obligation, the member must make the payment in the time and manner established by the ~~board~~Board; provided however, the entire outstanding liability must be paid ~~concurrent with the~~ Reclassified Tier 1 member's separation on or before sixty (60) calendar days following the later of his or her date of separation from City service or receipt of the final remaining balance calculation of such member's Reclassified Tier 1 Member Obligation from the Board or as may otherwise be provided in Subsection 3.36.720.E. Notwithstanding the preceding sentence, any Reclassified Tier 1 Member who does not satisfy his or her Reclassified Tier 1 Member Obligation shall only be entitled to the reduced plan benefit described be subject to the reduced benefit described in Subsection 3.36.720.E
- E. ~~If a Reclassified Tier 1 member fails to satisfy her or her outstanding liability within sixth (60) days from the later of such Reclassified Tier 1 member's separation from City service or passage of this Section 3.28.820.E by the City Council of the City of San José, such member shall only receive a portion of the Tier 1 benefit provided under this Plan that is the actuarial equivalent (as determined in the sole discretion of the Boards in consultation with their actuaries) of the amount such member paid for under the applicable provisions of this Plan.~~ Reclassified Tier 1 Member fails to satisfy his or her Reclassified Tier 1 Member Obligation within sixty (60) calendar days from the later of his or her date of separation from city service or or receipt of the final remaining balance calculation of such member's Reclassified Tier 1 Member Obligation from the

Board, the Reclassified Tier 1 Member shall only receive a portion of the Tier 1 benefit provided under this Plan that is the actuarial equivalent (as determined in the sole discretion of the Boards in consultation with their actuaries) of the amount such Reclassified Tier 1 Member paid for under the applicable provisions of this Plan.

PASSED FOR PUBLICATION of title this _____ day of _____, 2018, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk