

**AMENDMENT TO AGREEMENT  
Non-Rep Regulations**

**Deferred Compensation and 401(a) Plan**

This agreement modifies the provisions related to Deferred Compensation and the 401(a) Plan outlined in Section 11.8 of the current Non-Rep Regulations.

Modifications:

**A. 457(b) Plan:**

The City sponsors a 457(b) eligible deferred compensation plan (457 (b) Plan). All bargaining unit employees are eligible to elect to contribute their City pay to the 457 (b) Plan in accordance with its terms. For each pay period, the City will provide a matching contribution to each employee's 457(b) account equal to 100% of the employee's elective 457(b) contribution, up to a maximum of \$55.00 per pay period.

**B. 401(a) Plan:**

The City sponsors a 401(a) defined contribution plan (401(a) Plan). Notwithstanding any MOU provisions to the contrary, contributions will be made to the 401(a) Plan for bargaining unit employees as follows:

- Mandatory employee contributions:
  - Base salary— Every pay period, a mandatory contribution of \$50.00 will be deducted from each employee's base salary and contributed to the employee's 401(a) account.
  - Final leave balances

Upon termination of City employment, an employee's eligible final leave balances, as defined by this MOU, will be contributed to the employee's 401(a) account, but only if the employee :

(i.) reaches age 55 or older (or in the case of a safety employee, age 50 or older) in the calendar year of termination, or

(ii.) terminates from employment due to total and permanent disability.

Contributions to the 401(a) Plan are subject to annual limits under the tax laws. If any leave amounts described above cannot be contributed to the employee's 401(a) Plan account due to these tax limits the employee may elect to receive the uncontributed amounts in the form of cash, 457(b) contributions (subject to tax limits), or a combination of both.

- Under no circumstance will any employee be permitted to elect to receive cash (or other benefit) in lieu of 401(a) contributions made under the above.
- For avoidance of doubt, the final leave balance available for 401(a) contribution under this provision will be determined after (i) any employee election to convert sick time to CalPERS service credit, (ii) application of any MOU provision reducing the leave balance

available at termination, including Section 6.7.1 (providing for payment of 25%/50%/100% of unused sick leave upon termination), and (iii) any other MOU provision affecting the calculation of leave balances upon termination.

All other terms and conditions of the current Regulations remain in full force and effect.

This Amendment shall be effective upon approval by the City Council.

Agreed to this 8<sup>th</sup> day of July 2024.

For the City of Cathedral City:



[Charles McClendon \(Jul 8, 2024 15:49 PDT\)](#)

Charles P. McClendon, City Manager

# Non-Rep 401a and 457 Side Letter 07.2024

Final Audit Report

2024-07-08

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