

ADDENDUM #1 TO THE FEDERATED ALTERNATIVE PENSION REFORM SETTLEMENT  
FRAMEWORK  
BETWEEN  
THE CITY OF SAN JOSE  
AND  
THE ASSOCIATION OF BUILDING, MECHANICAL, AND ELECTRICAL INSPECTORS  
(ABMEI)

The City and ABMEI agree that the following provision shall apply to Tier 2A employees represented by AMBEI:

Tier 2A employees represented by ABMEI, so long as it is legally permitted, may make a one-time election to opt-out of the defined benefit retiree healthcare plan into an appropriate vehicle for the funds, i.e. a Voluntary Employee Beneficiary Association (VEBA). Members of the current defined benefit plans will be provided with one irrevocable opportunity to voluntarily "opt out" of the current retiree medical plan. Those members who "opt out," and are thus not covered by the City defined benefit retiree medical plan, will be mandated to join the VEBA plan. Tier 2A employees represented by ABMEI who remain in the Defined Benefit retirement healthcare plan will contribute 7.5% of their pensionable payroll into the plan. The VEBA contribution rate for all Tier 2A employees represented by ABMEI who opt out of the defined benefit plan and are mandated to join the VEBA plan will be 4.5% of base pay.


All other provisions contained in the Federated Alternative Reform Settlement Framework shall apply to employees represented by ABMEI.

**FOR THE CITY:**

  
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Jennifer Schembri  
Director of Employee Relations

12/16/15  
\_\_\_\_\_  
Date

**FOR THE UNION:**

  
\_\_\_\_\_  
Peter Fenerin  
President  
ABMEI

12/16/15  
\_\_\_\_\_  
Date