

MEMORANDUM OF AGREEMENT
by and between the
MUNICIPALITY OF ANCHORAGE
and the
ANCHORAGE POLICE DEPARTMENT EMPLOYEES ASSOCIATION

This agreement is between the Municipality of Anchorage (Municipality) and the Anchorage Police Department Employees Association (APDEA). The Municipality and the APDEA are parties to a Collective Bargaining Agreement (CBA). The parties wish to agree to resolve 401k Plan and other issues listed below.

It is understood and agreed as follows:

- a. The Municipality shall submit documentation to the Internal Revenue Service (IRS) under its IRS voluntary correction program acknowledging that matching contribution errors to the 401(k) program may have occurred and that such errors were made prior to the date of this agreement. Further, the Municipality agrees that it shall propose a corrective contribution of approximately \$1.1 million into a suspense account in the 401(k) program to remedy prior matching contribution errors.
- b. Unless the IRS rules that the Municipality must do so, the Municipality shall not seek payments from current or former APDEA members to remedy any prior matching contribution errors. The Municipality shall propose to the IRS that the Municipality's corrective contribution into the suspense account, while not seeking payments from current or former APDEA members, is the appropriate correction of prior matching contribution errors.
- c. Current CBA language: Article XV Section 5. Wage Increases.
 - A. The Municipality shall allow APDEA employees to participate in the Municipality's 401(k) savings plan, into which APDEA members can contribute a portion of their earnings subject to the limits specified by the IRS and/or the plan document. The Municipality will match 100% of each APDEA participant's contribution to their 401(k) account, up to a maximum Municipal contribution of 2.0% of the employee's eligible earnings for any calendar year. There shall be two types of Section 401(k) matching contributions made by the Municipality: (1) a "regular payday" match; and (2) an "end of year".
 - 1. Regular Payday Match: On each regular pay day, the Municipality shall match the member's payroll contribution to the member's Section 401(k) account, up to a maximum matching contribution during the course of the calendar year of \$2,000.
 - 2. End of Year Match: The end of year match shall occur on the last pay date in the calendar year. On that pay date, the Municipality shall total the amount of the members Section 401(k) contributions during the course of the calendar year and shall total the amount of the regular pay day matching contributions it has made

during the course of the year. If the member's contributions exceed the Municipality's contributions, the Municipality shall make an additional contribution equivalent to the member's contribution, but not exceeding 2% for the calendar year of the member's annual 401(k) retirement-eligible income, including overtime.

Article XV, Section 5(A) of the CBA shall be replaced with the following:

A. Employees shall be eligible to participate in the Municipality's 401(k) and 457 savings plans under the same terms and conditions that they are available to other municipal employees except as follows:

1. Regular Payday 401k Match: The Municipality will match 100% of each APDEA participant's contribution to their 401(k) account, up to a maximum Municipal contribution of 2.0% of the employee's eligible earnings for any pay period.

2. End of Year 401k Match: The end of year match shall occur on the last pay date in the calendar year. On that pay date, the Municipality shall total the amount of the members Section 401(k) contributions during the course of the calendar year and shall total the amount of the regular pay day matching contributions it has made during the course of the year. If the member's contributions exceed the Municipality's contributions, the Municipality shall make an additional contribution **within 45 days** equivalent to the member's contribution, but not exceeding 2% for the calendar year of the member's annual 401(k) eligible income, including overtime.

d. Current CBA language: Article VII Section 9 Night Shift Differential.

Employees covered by this Agreement shall receive a night shift differential equal to three percent (3%) of their **base** pay for working swing shifts and six percent (6%) of their **base** pay for working mid shifts. Employees eligible for shift differential on their regular shifts shall continue to receive their normal shift differential during training held outside of their normal work hours provided the training is forty (40) hours or less.

A. The day shift is any shift starting between the hours of 5:00 a.m. and 12:00 noon.

B. The swing shift is any shift starting between the hours of 12:00 noon and 7:00 p.m.

C. The mid shift is any shift starting between the hours of 7:00 p.m. and 5:00 a.m.

Effective retroactive to January 1, 2009 Article VII Section 9 Night Shift Differential shall be replaced with the following:

Employees covered by this Agreement shall receive a night shift differential equal to three percent (3%) of their **factored rate of pay** for working swing shifts and six percent (6%) of their **factored rate of pay** for working mid shifts. Employees eligible for shift differential on their regular shifts shall continue to receive their normal shift differential during training held outside of their normal work hours provided the training is forty (40) hours or less.

A. The day shift is any shift starting between the hours of 5:00 a.m. and 12:00 noon.

B. The swing shift is any shift starting between the hours of 12:00 noon and 7:00 p.m.

C. The mid shift is any shift starting between the hours of 7:00 p.m. and 5:00 a.m.

e. APDEA 12-05 and APDEA 12-10 will be settled under the terms of this agreement.

Pursuant to AMC 3.70.130 D., each and every collective bargaining contract, agreement, modification, written interpretation, or other change, alteration or amendment, no matter how denominated, shall include a summary of requirements and remedial provisions, and the certification under oath or affirmation by each duly authorized representative signing on behalf of a party. The duly authorized representatives, on behalf of the parties to this agreement, hereby affirm and certify as follows:

- A. This agreement complies with Anchorage Municipal Code section 3.70.130.
- B. Section 3.70.130 requires Assembly approval of all modifications and amendments, no matter how denominated.
- C. Absent Assembly approval as required by section 3.70.130, any modification or amendment, no matter how denominated, shall be deemed null and void, and any payments made shall be recoverable by the Municipality.
- D. Absent Assembly approval as required by section 3.70.130, written clarifications and interpretations within the definition of "administrative letter" are invalid.
- E. Section 3.70.010 prohibits the use of administrative letters to vary the explicit terms of a labor agreement.
- F. Intentional actions in violation of section 3.70.130 are subject to fines and penalties under section 1.45.010.
- G. Remedial actions: In the event the provisions of section 3.70.130 are violated by administrative action, any labor agreement, agreement, modification, written interpretation, or other change, alteration or amendment, no matter how denominated, shall be null and void with no force or effect.

FOR THE MUNICIPALITY:

FOR THE APDEA:

Danella Gentry
Director, Employee Relations

12/21/2012
Date

Mr. [Signature]
President

12/21/2012
Date