

**CITY OF PHILADELPHIA- AFSCME DISTRICT COUNCIL 47 LOCAL 2186-
COURT EMPLOYEES**

MEMORANDUM OF UNDERSTANDING

1. Term

July 1, 2017 through June 20, 2020

2. Wages

Court employees represented by Local 2186 shall be provided the same wage terms as provided to District Council 47 Local 2186 in paragraph 14A through E of the Memorandum of Agreement dated June 13, 3018.

3. Legal Services Fund

Beginning July 1, 2017, the City will contribute \$15.00 per employee per month to the Union's legal services fund.

4. Pension

(a) Tiered employee contribution rates:

- i. The City will create a tiered contribution structure based on pay ranges. The tiered structure will be progressive so that the more an employee earns, the higher the contribution rate will be. Contribution rates will be based on annual salary (excluding overtime), and actual contributions will continue to be based on a member's total pensionable earnings (includes overtime for DC47, which is not a change from the current practice).
- ii. The first contribution tier will be the current contribution rate and not require any change. The contribution rate changes will be as follows:

Annual Salary (excluding OT)	Additional Pension Contribution
\$45,000 or less	0%- No Change
\$45,001 to \$55,000	+ 0.5%
\$55,001 to \$75,000	+1.5%
\$75,001 to 100,000	+2%
\$100,001+	+2.75%

- iii. The tiered contribution rates will go into effect on January 1, 2019.

iv. All contribution increases will be in addition to, rather than offset, the City's required contributions under the MMO. Accordingly, in calculating the MMO each year, the City will not include the amount of these additional contributions in calculating its required contribution.

(b) New Employees: Stacked Hybrid

- (i) Employees hired on or after January 1, 2019 would be required to enter a stacked hybrid plan.
 - (ii) The stacked hybrid would have a defined benefit portion with benefits equivalent to the existing Plan Y (Plan 87) up to a pay limit (receive defined benefits up to earnings capped at \$65,000).
 - (iii) Employees can also voluntarily participate in the defined contribution portion. For each plan year, the City shall make a contribution to the member's account equal to fifty percent (50%) of the member's contribution. In no event shall the City's annual contribution exceed one-and-one half percent (1.5%) of the member's annual compensation.
 - (iv) All other plans would be closed for new enrollment.
- (c) Within 30 days of this Memorandum of Understanding, bargaining unit employees who are covered by the terms of the pension ordinance will receive a five hundred dollar (\$500) lump sum payment. This payment will not be added to employees' base pay rate.
- (d) DC 47 represented employees who currently participate in Plan 10 will have the option to make a one-time irrevocable election within 90 days of the effective date of the ordinance implementing paragraph (b) of this portion of the Agreement to enter the stacked hybrid plan. Employees who elect this option will be required to pay the cost of purchasing their service from their date of entry into Plan 10 up to the date they enter the stacked hybrid plan and will be subject to the terms of the stacked hybrid plan.

5. Life Insurance

Basic Coverage: Effective July 1, 2018, the City shall provide, at no cost to the employee, \$25,000 life insurance for all employees within the bargaining unit who are otherwise entitled to such coverage.

6. Health and Welfare

Employees represented by Local 2186 will continue to participate in the District Council 47 health plan subject to the terms agreed to between the City and District Council 47.

CITY OF PHILADELPHIA

Monica Hancock 12

D. M. Johnson

Date: 7/24/18

AFSCME DISTRICT COUNCIL 47
LOCAL 2186, COURT EMPLOYEES

[Signature]

[Signature]

Date: 07/24/18