

## EXHIBIT F

California Public Employees' Retirement System  
Financial Office | Pension Contracts & Prefunding Programs Division  
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### Two-Years Additional Service Credit — Government Code Section 20903

A public agency may amend its contract to provide two years of additional service credit to a retiring member because of an impending mandatory transfer, demotion, or layoff.

The agency will need to:

- Designate the job classification(s), department(s), or unit(s) eligible for this benefit (e.g. miscellaneous or safety employees, fire, police, secretaries, Finance Department, Human Resources Unit, etc.) Anyone employed in the designated unit or classification is eligible for the two-year service credit if all other requirements are met. (The benefit cannot be provided on the basis of employee organization or unrepresented groups.)
- Designate a time period of 90 to 180 days during which an eligible member must retire to receive the additional service credit. Because the member must be in employment status and retire during the designated period, the retirement date may not be the first day of the designated period. The designated period may begin as early as one day after the effective date of the initial contract to provide the two years additional service credit or if providing an additional designated period as early as one day after the effective date of the Resolution adopted by the governing body.
- Certify the governing body determined that because of an impending curtailment of, or change in the manner of performing service, the best interests of the agency would be served by granting such additional service credit.
- Certify the governing body is electing to become subject to the provisions of Section 20903 because of impending mandatory transfers, demotions, and layoffs that constitute at least 1% of the designated job classification, department, or organizational unit resulting from the curtailment of, or change in the manner of performing its services.
- Certify that it is the governing body's intention at the time Section 20903 becomes operative that any vacancies created by retirements under this section or at least one vacancy in any position in any department or other organizational unit shall remain permanently unfilled thereby resulting in an overall reduction in the workforce of such department or organizational unit.
- Certify each member's eligibility to receive the additional service credit and non-receipt of unemployment insurance payments during the specified period.

## General Procedures

1. After the expiration of the designated period, the agency is required to submit a list of members eligible to receive the additional service credit who retired during the designated period and certify the agency has checked against those reported to have applied for unemployment insurance payments. Any such retired member receiving unemployment insurance payments should be reported to CalPERS, Benefit Services Division.
2. The additional service will be credited to each eligible member after he/she receives a monthly retirement allowance. The adjustment to the member's allowance will include an increase for the additional service credit and a one-time payment for the allowance due retroactive to the effective date of retirement. (Questions concerning the adjustment should be directed to Benefit Services Division.)
3. The added cost to the retirement fund for all eligible employees who retire during the specified period will be included in the contracting agency's annual valuation report for the fiscal year that begins two years after the end of the designated period.