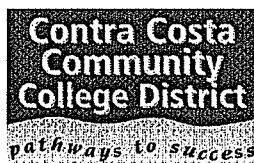


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Sheila A. Grilli
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Chancellor
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HUMAN RESOURCES DEPARTMENT
Associate Vice Chancellor/Chief Human Resources Officer – Eugene Huff

MEMORANDUM OF UNDERSTANDING
Contra Costa Community College District
And
United Faculty

Spring 2011 Retirement Incentive

The District and United Faculty agree to offer a retirement incentive to United Faculty represented employees of six “points” toward retirement benefits eligibility for employees who retire between May 1, 2011 and June 30, 2011. Employees retiring at the “70 Point” level under this program must have attained seven years of service with the District at the time of retirement. All other contractual retiree benefits eligibility requirements must be met.

Both parties understand and agree that the District does not intend to reduce its ratio of full-time to part-time faculty.

The retirement incentive must result in a net savings to the District to be implemented. A financial analysis of the incentive will be performed using the following key assumptions:

- The analysis will be performed on the actual individuals who apply to retire under the program.
- Individuals retiring under the program will have up to six “points” added to their District retiree benefit eligibility.
- Employees retiring at the “70 Point” level under this program must have attained seven years of service with the District at the time of retirement.
- The program must result in a net savings to the District for each of the three years under evaluation or it will not be implemented.
- Participants must meet all other contractual retiree benefits eligibility requirements.
- Notification of the intent to retire under the program must be submitted no later than April 15, 2011.
- The requested retirement date must be between May 1, 2011 and June 30, 2011.
- Costs will be evaluated over three years.
- All applicable salary schedules are assumed to change at the same rate over the next three years.
- New hire step placement for retiree replacements will be based on District averages over the three years under evaluation.
- Replacement will be assumed at 50% for all three years under evaluation.

- Full benefits costs for all retirees in the program will be included in year one, two-thirds of the costs for all retirees in the program will be included in year two, and one-third of the costs for all retirees in the program will be included in year three of the evaluation.
- Retiree benefits costs will be calculated at \$11,783 per year for United Faculty represented employees.
- The net savings or cost of the program is the sum of the average replacement costs plus average retiree benefits costs minus the actual current employee costs over the period of the evaluation using all the assumptions above.

FOR THE DISTRICT:




 Gene Huff, Associate Vice Chancellor

2/23/11

 Date

FOR UNITED FACULTY:



 Jeffery Michels, President

3/1/11

 Date