

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE SAN ANTONIO POLICE OFFICERS' ASSOCIATION &
THE CITY OF SAN ANTONIO, TEXAS**

The San Antonio Police Officers' Association (SAPOA) enters into the following Memorandum of Understanding with the City of San Antonio in conjunction with the Collective Bargaining Agreement, more in particular, Article 22 – Miscellaneous Leave Provisions, that became effective May 12, 2022 (referred to as the “Current CBA”).

The SAPOA and the City of San Antonio shall be referred to collectively as the “Parties.”

Background: The recently adopted Collective Bargaining Agreement between the Parties provides Officers the option to defer leave into their 457 in the three years prior to their declared retirement date (which is irrevocable.)

Previous & Current CBA: Officers have historically been allowed to sell back their leave balances upon separation as outlined in Section 2 of Article 22 of the previous and Current CBAs:

A Police Officer who leaves the classified service for any reason shall receive a lump-sum payment in the full amount of his/her ending salary for the period of his/her accumulated compensatory time, holiday hours, sick leave hours (as provided by statute), bonus hours and vacation hours, provided that such payment, in the case of vacation hours, shall be based upon not more than seven hundred and twenty (720) hours of accumulated vacation time.

The Current CBA reflects that history and specifically spells out a 720 hour limit on vacation hours sold back at the time of separation and that sick leave will be sold back up to the 720 hours as provided by statute. However, a past practice also exists that limits holiday, vacation and bonus leave hours sold back at the time of separation to the maximum number of hours they are allowed in each respective leave category. This payout of accrued leave is not pensionable. These limits are spelled out in Article 22, Sections 5-7. The limits for each leave category are as follows:

<i>Bonus Leave</i>	<i>400 hours</i>	<i>Excess bonus leave can be converted to vacation or holiday leave up to holiday cap.</i>
<i>Compensatory Time</i>	<i>480 hours</i>	
<i>Holiday Leave</i>	<i>320 hours</i>	<i>Excess holiday leave can be converted in to vacation up to vacation cap</i>
<i>Vacation</i>	<i>720 hours</i>	<i>Excess vacation can be converted to holiday up to holiday cap</i>
<i>Sick Leave</i>	<i>720 hours per statute 143.045</i>	<i>Excess sick leave can be converted to comp time, holiday or vacation</i>

In accordance with Article 22, Section 9, in June of each year, Officers are notified of any leave they have over the cap and are required to use it, request an extension to use it at a later date, or convert it prior to a July deadline.

Current CBA: Article 22 Section 3 (A) states:

Purpose. The purpose of this section is to allow conversion of eligible leave time for Officers enrolled in the Internal Revenue Code 457(b) deferred compensation plan as long as the Officer has not met the statutory maximum annual contributions at the time

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the deferral is made. The contribution would be made instead of a lump sum leave pay upon separation by the Officer. This provides the Officer an additional option to receive payout of leave balances in another manner more appropriate for the Officer at their time of retirement.

Further, in the Current CBA, Section 3 (B) defines all Eligible Leave Time for the conversion to be inadvertently capped at 720 hours:

[V]acation hours, Bonus hours, accumulated compensatory time, Holiday hours and for Officers who are eligible to retire or have at least 20 years of service, sick leave hours, up to a maximum of 720 hours for Officers.

Parties Agreement: To maintain consistency between historical practice and the newly enacted deferral option, Officers enrolled in the Internal Revenue Code 457(b) Deferred Compensation Plan may contribute up to 720 sick leave hours, 720 vacation hours, 400 Bonus Leave Hours, 480 Compensatory Hours, and 320 holiday leave hours cumulatively over the three-year period as long as they remain under the IRS contribution limits. The early payout of these unused accrued leave hours into the 457(b) plan would likewise be non-pensionable.

If an Officer elects to convert Compensatory Hours to the Deferred Compensation Plan, the 480 hours of compensatory time that an officer is eligible to bank will be reduced by the same number of compensatory hours that were deferred. All other leave provisions spelled out in the current CBA remain unchanged.

Officers must complete the attached Pre-Retirement Catch Up Leave Conversion Application within three years prior to the proposed retirement date. These hours would be deducted from the total number of hours (in each leave category) that they could sell back at the time of separation.

Signed and agreed to by the duly authorized representatives of the Parties on this 5th day of OCTOBER, 2022.

FOR THE SAPOA:



Danny Diaz, President

10-05-22

Date

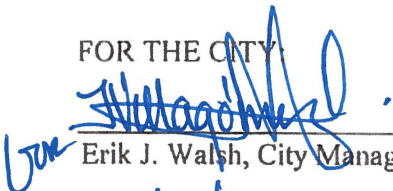


Ronald G. DeLord, Counsel

10-11-2022

Date

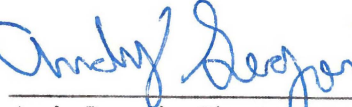
FOR THE CITY:



Erik J. Walsh, City Manager

10/21/2022

Date



Andy Segovia, City Attorney

10/13/22

Date

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Pre-Retirement Catch up Leave Conversion Application

This Conversion Application is in compliance with Article 22, Miscellaneous Leave Provisions, Section 2, Leave Pay Upon Separation. Eligible Officers may defer a maximum of 2,640 leave hours (in accordance with the table below) into their Internal Revenue Code Section 457(b) deferred compensation account. The deferral must take place within the three (3) years prior to the proposed retirement date. The Officer attests to all of the following (please initial and sign below):

SECTION I

Employee Name/#: _____ DOB: _____

_____ I hereby designate (MM/DD/YYYY) _____ as my retirement date. This date is IRREVOCABLE.

_____ I attest that I am age 40 or over and based upon my impending retirement date indicated above, I understand I can defer 2,640 hours of my leave balances listed below into my IRS 457(b) deferred compensation prior to the above retirement date, subject to IRS maximum limits. My estimated leave balance as of _____ is as follows and I elect to convert the leave to my 457 account as specified. I understand the below estimate may not reflect scheduled leave taken or not yet processed.

Absence Type	CAP	Estimated Leave Balance	Leave Priority Hrs.
Vacation	720		
Sick	720		
Holiday	320		
Bonus	400		
Comp	480		

I authorize _____ (leave hours), (dollar amount) \$ _____ to be directed to my 457 deferred compensation account. I understand this deferral will take place the second payday of the month following receipt of my completed Application. This processing date is _____.

Employee Signature: _____ Date: _____

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SECTION II

Enter the amount contributed to the 457 plan for each year that eligible to participate in the plan. Subtract the amount of actual contribution from the maximum amount eligible to contribute to the plan each year and enter the amount in the "Unused Deferrals" column. Add the amounts entered in the "Unused Deferral" column for each year to calculate the total unused deferral amount.

UNUSED DEFERRAL WORKSHEET

YEAR	MAX CONTRIBUTION	ACTUAL CONTRIBUTION	UNUSED DEFERRALS
2022	\$20,500		
2021	\$19,500		
2020	\$19,500		
2019	\$19,000		
2018	\$18,500		
2017	\$18,000		
2016	\$18,000		
2015	\$18,000		
2014	\$17,500		
2013	\$17,500		
2012	\$17,000		
2011	\$16,500		
2010	\$16,500		
2009	\$16,500		
2008	\$15,500		
2007	\$15,500		
UNUSED DEFERRALS			

SECTION III

Police Payroll Office:

DOLLAR VALUE OF LEAVE: _____ INPUT DATE: _____

SIGNATURE: _____ DATE: _____