

**VOLUNTARY EMPLOYEE BENEFICIARY ASSOCIATION (VEBA)
PLAN**

SIDE LETTER OF AGREEMENT

BETWEEN

CITY OF HAYWARD

AND

HAYWARD FIRE CHIEFS' ASSOCIATION

The parties agree that the City will make available for members of the Hayward Fire Chief's Association ("Bargaining Unit"), a Voluntary Employee Beneficiary Association (VEBA) Plan ("Plan") to enable eligible employees to accumulate funds in a tax-exempt trust from which qualified medical expenses can be paid, including certain post-retirement medical expenses benefit accounts. The City will not contribute to employee VEBA accounts.

Plan requirements are as follows:

1. Eligibility Defined

Effective July 1, 2024, all employees who are members of the Bargaining Unit are required to participate in the plan.

2. Employee Contributions

Participation in the Plan by an employee requires a payroll deduction each bi-weekly pay period to fund the employee's account. The Bargaining Unit has determined that contributions to the Plan shall be fifty dollars (\$50.00) per pay period.

Contributions made by an employee must be made through payroll deduction. Employees cannot make direct contributions to the Plan. Once separated from the City, the (former) employee can no longer make contributions to the Plan.

3. Participant Accounts

A separate account is maintained for each contributing eligible employee, which documents the employee's contributions and disbursements.

Contributions to a VEBA account, as well as any disbursements to cover unreimbursed post-tax medical care expenses, are both tax-free. Eligible benefits subject to reimbursement by the Plan shall be limited to long-term care expenses and unreimbursed

medical premiums, co-pays, prescribed drug expenses, and other medical care costs as defined by the Internal Revenue Code Section 213.

4. Administrative Fees

An eligible employee's Plan account is subject to a monthly administrative fee for expenses related to recordkeeping, claims processing, and claims reimbursement. The monthly administrative fee will be deducted from the eligible employee's individual account.

5. Dispute Resolution

This Side Letter and any disputes arising under or in connection with this Side Letter shall not be subject to the dispute resolution procedure contained in the Bargaining Unit's Memorandum of Understanding or in the City's Personnel Rules, nor shall this Side Letter and any such dispute relating thereto be subject to the jurisdiction of the City's Personnel Commission for any reason whatsoever.

6. Indemnification

The Bargaining Unit agrees to indemnify and hold the City of Hayward harmless against any claims made of any nature and against any suit instituted against the City arising from this Side Letter, including but not limited to claims arising from an employee's participation in VEBA or from any salary reduction initiated by the City for VEBA contributions.

7. Superseding Agreement

This Side Letter agreement supersedes all previous VEBA Side Letter agreements.

8. Amendments

The Bargaining Unit may request to meet and confer with the City to make modifications to this Side Letter. Any request to meet and confer must be made during the open enrollment period for City sponsored health insurance programs.

For HFCA:



Scott Anderson, Deputy Fire Chief

Date 9-4-25

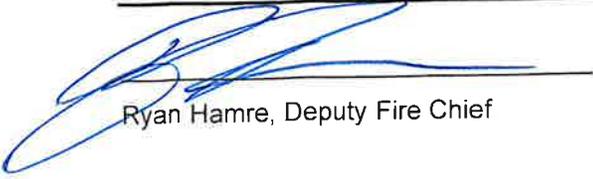
For the City:



Jayanti Addleman, Interim City Manager

Date 9/15/2025

HAYWARD FIRE CHIEFS' ASSOCIATION



Ryan Hamre, Deputy Fire Chief



Regina Youngblood, Assistant City Manager

Date 9-4-25

Date 9/15/2025