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**CITY OF MINNEAPOLIS**

**A n d**

**INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS,  
DISTRICT LODGE NO. 77 - MACHINISTS UNIT**

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**LETTER OF AGREEMENT**

International Association of Machinists National Pension Fund  
Red Zone Designation and Additional Employee Contribution

**WHEREAS**, the City of Minneapolis (Employer) and the International Association of Machinist and Aerospace Workers, District Lodge No. 77 — Machinists Unit (Union) are parties to a Collective Bargaining Agreement (Agreement) currently in force; and

**WHEREAS**, Section 1.08 of the Agreement allows Union members employed by the Employer, to contribute to the International Association of Machinists National Pension Fund (IAMNPF); and

**WHEREAS**, Union members contribute a base of \$0.40 per hour for all hours paid to the IAMNPF; and

**WHEREAS**, in April 2019 the IAMNPF voluntarily moved the pension fund into the Red Zone as allowed by the Pension Protection Act of 2006 (PPA) to keep the fund on a path to long term stability; and

**WHEREAS**, in April 2019 the IAMNPF required the Employer to adopt the preferred rehabilitation schedule by June 1, 2019, or be placed in the default rehabilitation schedule; and

**WHEREAS**, the Employer adopted the preferred rehabilitation schedule plan in 2019 and Union members began the additional pension contributions the same year; and

**WHEREAS**, the Employer and Union adopted the preferred rehabilitation plan on August 19, 2019, which increased the contribution amount by 2.5% each year for 2019 (an additional \$0.01 for all hours paid), 2020 (an additional \$0.02 for all hours paid), and 2021 (an additional \$0.03 for all hours paid); and

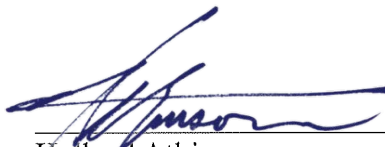
**WHEREAS**, the IAMNPF continued the preferred rehabilitation schedule contributions from members for the following years and amounts which increase on October 1, of each year. For 2022 an additional \$0.04, for 2023 an additional \$0.05, for 2024 an additional \$0.06, for 2025 an additional \$0.08, for 2026 an additional \$0.09, for 2027 an additional \$0.10, for 2028 an additional \$0.11, for 2029 an additional \$0.12, and for 2030 an additional \$0.14, and for 2031 an additional \$0.15; and

**NOW, THEREFORE BE IT RESOLVED**, the Employer and Union agree as follows;

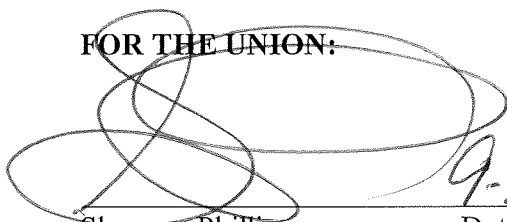
1. The Employer will collect and distribute to the IAMNPF the additional pension contributions required as follows beginning on October 1 of each year.

Year	Base Pension Contribution	Additional Fund Contribution	Total
October 1, 2022	\$0.40	\$0.04	\$0.44
October 1, 2023	\$0.40	\$0.05	\$0.45
October 1, 2024	\$0.40	\$0.06	\$0.46
October 1, 2025	\$0.40	\$0.08	\$0.48
October 1, 2026	\$0.40	\$0.09	\$0.49
October 1, 2027	\$0.40	\$0.10	\$0.50
October 1, 2028	\$0.40	\$0.11	\$0.51
October 1, 2029	\$0.40	\$0.12	\$0.52
October 1, 2030	\$0.40	\$0.14	\$0.54
October 1, 2031	\$0.40	\$0.15	\$0.55

**FOR THE EMPLOYER:**

  
Holland Atkinson  
Director Labor Relations  
9/27/22  
Date

**FOR THE UNION:**

  
Sherman Phillips  
Business Agent  
9-26-22  
Date