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**MEMORANDUM OF UNDERSTANDING
THE SHAWNEE LOCAL SCHOOL DISTRICT
BOARD OF EDUCATION
and
THE SHAWNEE EDUCATION ASSOCIATION
Section 125 Flexible Spending Accounts**

This Memorandum of Understanding ("MOU") is entered into by and between the Shawnee Local School District Board of Education ("the Board") and the Shawnee Education Association ("SEA").

WHEREAS, the Board and the SEA are parties to a collective bargaining agreement with effective dates of September 1, 2014 through August 31, 2017 ("the Agreement"); and

WHEREAS, the Board and the SEA had previously entered into a Memorandum of Understanding ("MOU") dated November 5, 2012 that provided for Board and employee contributions to a Section 125 Flex Spending account; and

WHEREAS, the language in the MOU should have replaced language in the Agreement regarding Board contributions to a Section 125 Flex Spending account in Article 36, but did not; and

WHEREAS, the language currently in the Agreement regarding Section 125 Flex Spending account contributions violates the Affordable Care Act.

NOW THEREFORE, the parties agree to replace Article 36 in the Agreement with the following language from the previously agreed upon MOU (illustrated as changes to the current language):

36. MEDICAL / DENTAL INSURANCE

The Board shall pay, 80% of the insurance premiums and the employee shall pay 20%. Medical coverage shall be determined annually by an insurance committee composed of three certified members, three classified members, one principal, one supervisor and one school board member with the Treasurer serving (ex officio) as the facilitator. Through August 31, 2017 the level of benefits provided to each Bargaining Unit Member will be the same or better than the level of benefits effective September 1, 2014 unless required otherwise to comply with applicable state and federal laws. When both spouses are employed by the Board they are entitled to one family plan or two single plans. ~~All full-time district employees taking insurance through the District will have a contribution made to a Section 125 Benefits plan by the Board. Beginning with calendar year 2012, if the total single plan premium in effect is greater than \$488.70 and the total family plan premium in effect is greater than \$1,214.50, the contribution will be \$750 for those employees with a single plan and \$1,500 for those employees with a family plan. If the premiums in effect are less than \$488.70 and \$1,214.50, the flex contribution will remain at \$625 for those employees with a single plan and \$1,250 for those employees with a~~

~~family plan. Contributions for employees will be made by January 31st of each calendar year. The contribution will be prorated for employees working less than full-time.~~

STRS retirees are required to take STRS health insurance and are ineligible for District health insurance unless denied by STRS or state law. If re-employed retirees are ineligible to participate in the STRS insurance program, they may participate in the District's insurance program as a single policy holder. The retiree may purchase a family policy by paying the difference in premium at their own expense. STRS retirees are eligible for payment in lieu of not taking health insurance. This provision applies only to bargaining unit eligible retirees beginning work as a retiree for the district after July 31, 2008.

A \$2,500 per year bonus shall be paid to any full-time employee who would be eligible for a family plan (i.e., who has a spouse and/or dependents), but who does not enroll in the Medical Insurance Plan. A \$2,000 per year bonus shall be paid to any full-time employee who would be eligible for a single plan (i.e., who does not have a spouse or any dependents), but who does not enroll in the Medical Insurance Plan. For this article, a year is defined as beginning on the effective date for employees joining during open enrollment (currently November 1st). The employee may enroll in the insurance during that one year only if a qualifying event occurs under federal law entitling the person to enroll.

In this event, the employee will receive a pro-rated amount for each month they were not enrolled in the plan since the beginning of the current year. New employees after the annual enrollment period and employees who leave prior to the end of the contract year shall receive a pro-rated amount for each month they are not enrolled in the plan.

Those full-time employees who decline enrollment into the Medical Plan can receive the opt-out bonus and still participate in the Dental and Life insurance plans provided by the district. The opt-out bonus will be paid in two installments; the first being in the second pay of the month following the open enrollment month; the second being in the second pay of June.

New Article 37 Section 125 Flex Spending Account

- A. Unmatched contributions will be limited to \$500.00 beginning in Calendar year 2013.**
- B. All Full-time employees taking the MDHP Insurance option will be provided a Board-paid contribution of \$500.00 to a section 125 Flex Spending account.**
- C. Of the Full-time employees selecting the MDHP insurance option, additional payments will be made based on their Single or Family coverage eligibility.**
 - 1. Single Coverage – Those eligible for Single coverage will be offered the option of:**

- a. \$250.00 cash payment or
- b. Matching contribution not to exceed \$250.00 to the employee's Flex Spending account.

2. Family Coverage – Those eligible for Family coverage will be offered the option of:

- a. \$500.00 cash payment or
- b. \$500.00 cash payment plus a matching contribution, not to exceed \$500.00 to the employee's Flex Spending account.

D. All cash payments are taxable at the employee's rate of withholding for Federal, State and local (if applicable) taxes.

E. Please note that the \$500.00 Employer contribution limit to Flex Spending accounts does not impact the payments currently made for the HDHP or Declination of Coverage options currently provided.

F. In addition, the combined Employer and Employee contributions cannot exceed \$2,500.00 per year, excluding the initial Employer contribution of \$500.00. This change was effective January 1, 2013. It will expire at the end of the current term of the SEA Negotiated Agreement (August 31, 2017).

Shawnee Education Association

By: _____

Date: _____

By: _____

Date: _____

Shawnee Local School District
Board of Education

By: _____

Date: _____

By: _____

Date: _____