

shall cease at the end of the month the resignation or termination becomes effective. If an employee resigns or is terminated who has completed the school year, his/her insurance benefits shall terminate as of August 31. However, if an administrator completes the terms of his/her contract, and if the last day of the contract is June 30, his/her insurance benefits shall terminate June 30<sup>th</sup>.

- C. Compliance Authority: The District may, in its sole discretion, make changes to health insurance, including, but not limited to, health benefits, eligibility standards, coverages, and contribution levels in order to comply with the Patient Protection and Affordable Care Act (ACA) and applicable federal and state agency rules and regulations regarding the implementation of the ACA. Such actions may also be implemented in order for the District to comply with regulatory provisions of the Internal Revenue Service (IRS), e.g. non-discrimination in benefits provisions [IRC 105(h), IRC 125], and to minimize tax liability for the District and/or the benefit recipient underneath such regulatory provisions. Changes to health benefits, eligibility standards, coverages and contribution levels include, but are not limited to, changes in the sections addressing health insurance in the employee handbook.

### 15.03 Alternate Benefit Plan [ABP] in Lieu of Health Insurance

Implementation of the Alternative Benefit Plan for eligible employees. Eligibility for, and payment toward coverage for individual employment groups are set forth in the applicable part of the *Handbook* covering such employees:

- A. Employees who choose the ABP option will be required to sign up on an annual basis to align with health insurance plan year.
- B. In order for this provision to remain in effect, a sufficient number of employees must opt out of their coverage so as not to cause an added expense for the District. Such determination of the additional expense is made by the District in its sole discretion.
- C. The Board may, at its discretion, discontinue the cash compensation in lieu of health insurance benefit by providing the participating employees with written notice of not less than sixty (60) days and an “open enrollment” opportunity to enroll in the group health insurance plan.
- D. Any employee who qualifies for participation in the District group health insurance plan may waive such participation and elect to receive cash compensation in lieu of the health insurance benefit. Where the District employs both spouses, one spouse will be eligible for participation in the ABP.
- E. Employees eligible for insurance may annually choose, consistent with the terms of the cafeteria plan in Section 15.01 between:
  - 1. Participation in the District’s health plan, with the premium payment specified in the applicable part of the *Handbook* covering such employees, or
  - 2. A cash payment equal to the amount listed in the applicable part of the *Handbook* covering such employees.
- F. Cash Compensation: The cash contribution dollar amount shall be equal to:

ABP Annual Amount
\$3,750.00 <del>\$3,500.00</del>

The amount of each additional cash contribution dollar amount shall be calculated by dividing the dollar amount stated above by the number of employee paychecks per year. Part-time employees who are employed at fifty percent (50%) or more of a full-time contract who select the cash compensation shall receive a pro-rated amount of the District’s contribution based upon the part-time employee’s percentage of full-time employment.

- G. The cash compensation amount shall be paid to the employee as additional taxable earnings which are not subject to Wisconsin Retirement System (WRS) contributions to the extent permitted by WRS rule or law, with the appropriate employee F.I.C.A., state and federal taxes deducted from the employee’s payroll check.
- H. Where the employee chooses cash, the District shall facilitate the deferral of cash to a district approved tax-sheltered annuity (TSA) plan.
  - 1. An employee electing taxable cash in lieu of health insurance is deemed to request the District to pay the cash to a TSA vendor unless the employee requests in writing to have the cash paid to the employee.
  - 2. The District shall pay the cash to the TSA vendor on or about the normal payroll dates cash would have been paid. Amounts received as additional compensation, and deferred to a TSA vendor, shall be subject