

## Employee Handbook

### Section I

#### 15.02 Health/Dental Insurance

The Board of education shall provide health insurance and may provide dental insurance to eligible employees. The District shall establish an annual budget for health and dental insurance for employees. The District's Health Insurance Committee shall negotiate rates, premiums and plan specifics with vendors and annually present this information to the Board. The Board will make the final decision and approval of the insurance plans. Plan specifics are available in Appendix Part I – 15.02.

##### A. Eligibility.

1. Minimum Hours for Any Board Contribution: An employee hired prior to July 1, 2015 whose individual contract has an assignment of at least fifty percent of full-time equivalency [50%] is eligible to participate in the District's insurance. For purposes of employees' eligibility for health insurance, full-time equivalency is defined as 35 hours per week during the school year. Hours worked beyond those set forth in the individual contract shall not be used to determine insurance eligibility or insurance contributions. Such hours excluded may include, but not be limited by enumeration, the following: extended contracts, summer classes, co-curricular assignments, substitute assignments, etc. Employees whose assignments are less than fifty percent of a full-time equivalency [50%] are not eligible to participate in the District's insurance and are not eligible for any District premium contribution.

1a. Minimum Hours for Any Board Contribution: Employees hired after July 1, 2015 whose individual contract has an assignment of at least 30 hours per week is eligible to participate in the District's insurance. For purposes of employees' eligibility for health insurance, full-time equivalency is defined as 37.5 hours per week during the school year. Hours worked beyond those set forth in the individual contract shall not be used to determine insurance eligibility or insurance contributions. Such hours excluded may include, but not be limited by enumeration, the following: extended contracts, summer classes, co-curricular assignments, substitute assignments, etc.

1b. Employees hired after July 1, 2015, whose assignments are less than 30 hours per week are not eligible to participate in the District's insurance and are not eligible for any District premium contribution.

2. Pro-ration of District Contributions: An employee hired prior to July 1, 2015, whose individual contract has an assignment of at least fifty percent [50%] of a full-time equivalency, but less than a full-time one hundred percent [100%] assignment, shall have the District's contribution prorated, consistent with the employee's percentage of employment.

3. Both Spouses Employed by the District: If both spouses are employed by the District and are eligible for insurance, the employees shall be eligible for two single plans or one family plan. The premium contributions for spouses shall be no different than the premium contribution for a similarly-situated employee whose spouse does not work for the District. As such, the following options exist for such spouses:

- a. Coverage under one family plan; or
- b. Two single plans; or
- c. HEALTH ONLY - One cash-in-lieu benefit instead of a family plan [subject to the eligibility of the insurance carrier]; or
- d. HEALTH ONLY - One single plan and one cash-in-lieu benefit

B. Commencement and Termination of Benefits. Coverage will commence on the first day of the month following the employee's first day of employment and continue for a full twelve (12) month period. The insurance benefits described in this *Handbook* and on the individual contract terminate according to the following schedule:

1. If an employee resigns or is terminated during the term of his/her individual contract, District coverage shall cease at the end of the month the resignation or termination becomes effective.
2. If an employee resigns or is terminated who has completed the term of his/her contract, District coverage 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.

## **SECTION 8. POST-EMPLOYMENT BENEFITS**

### **8.01 Voluntary Early Retirement Benefit Program**

#### **A. Eligibility**

Teachers will be eligible for the early retirement benefit provided for in this Article if they a) declare in writing, to the Board of Education, their retirement intentions prior to February 1 of the calendar year in which they intend to retire from an employer contributing to the Wisconsin Retirement System, b) are WRS eligible for retirement and c) were hired prior to July 1, 2015.

#### **B. Application and Limitation**

Application for participation in the early retirement benefit provided for in this Article must be made by the teacher in writing and submitted to the School Board on or before February 1st of the last school year prior to retirement from an employer contributing to the Wisconsin Retirement System. No more than three (3) teachers shall be eligible to begin participation in the early retirement benefits provided for in this Article in the same year unless the School Board, at its sole discretion, approves a higher number. In the event there are more applicants than are eligible to participate, the most senior applicants, based on Colby School District experience, will be selected. If seniority is equal, the selection will be based on the order of receipt of the application.

#### **C. Early Retirement Benefit Health Insurance**

Upon retirement, for an eligible teacher whose application has been approved, the District will credit up to three thousand dollars for each year of service (\$3,000 x years of service at the Colby School District) to serve as a credit for the retiree for use in the payment of the premium for health insurance / medical expenses through the District until the teacher becomes entitled to Medicare.

- 1) Effective with the 2011-12 school year, each qualifying teacher shall have \$3,000, or such amount as proportional to the employment status of the teacher pursuant to his/her letter of appointment, designated in an HRA (Health Retirement Account) to be used for health insurance benefits upon retirement. The HRA may be funded or unfunded as determined by the District unless otherwise required by law.
- 2) The HRA benefit shall accrue to the teacher (subject to the terms of this provision) at the completion of the teacher's sixth full year of service in the Colby School District. Full year is defined as "full time" (1.0 FTE) and prorated based on FTE specified in the teacher's letter of appointment with the District.
- 3) In the event of death of the retiree, his or her spouse will be eligible to the above credits on the above basis as if the retiree was still living through the eligibility period reflected in this benefit offering had the employee survived.
- 4) There is no cash equivalency benefit available under this provision for the retiree or any surviving spouse.

#### **D. Payment of Benefit**

- 1) Upon Board approval of the retirement date, a monthly benefit is determined by dividing the total benefit credit by the number of months until the employee becomes entitled to Medicare eligibility.
- 2) Retired employees may use the HRA credit to receive reimbursement for qualifying health insurance through the District or to receive reimbursement of qualifying health insurance / medical expenses from a third party vendor selected by the district.
- 3) Retired employees who return to work in any position which offers health insurance shall have their benefit suspended until they no longer work in a position that is eligible for health insurance, subject to the terms for participation eligibility. Upon termination of any health insurance qualifying post retirement employment, monthly benefits with the Colby School District will be recalculated as described in Part II, Section 8, D(1).
- 4) Any retiree who fails to provide notice to the District as provided in Part II, Section B within twelve (12) months of their retirement, shall forfeit this benefit.
- 5) The District reserves the right to modify this benefit offering at any time or cease it in its entirety including for retirees in pay status. Decisions made by the District in the interpretation and operation of this benefit offering shall be in its sole discretion and are final and binding. In the event of any review of a decision by a court of law, the reviewing tribunal shall give deference to the District's decision, confirming such decision, unless it is shown that the District acted in an arbitrary and capricious manner. The decision of the District on all issues under this offering shall be final.