

ARTICLE IX. GROUP BENEFITS

Section A. Group Insurance Benefits To Eligible Teachers: The District agrees to offer group insurance benefits that includes health, dental, life, and long-term disability coverage.

Subd. 1. Insurance Eligibility: To be eligible for insurance benefits, the teacher must be paid on Schedules A, B, or the Hourly Flat Rate Pay Schedule.

- a. BASIC ELIGIBILITY. The teacher must have a 0.5 FTE assignment or more to qualify, or be assigned and working hours equivalent to a .5 FTE assignment or more per week at the hourly rate.
- b. COMBINED EMPLOYMENT. Teachers with contract and hourly rate assignments are not eligible unless one of the assignments meets the requirement defined above.
- c. RESERVE TEACHERS. Reserve teachers are not eligible for group insurance benefits.
- d. LEAVES OF ABSENCE. Teachers on an approved leave of absence as defined in Article XI may participate in group insurance benefits subject to Section A, Subd. 3c of this article.
- e. TEACHERS ON LAYOFF. Teachers who are laid off may continue coverage at the teachers' ~~teacher's~~ own expense as provided by federal and state ~~cobra~~ **COBRA** continuation coverage laws. Teachers who are laid off may not continue long-term disability insurance coverage.

Subd. 2. Benefit Coverage: The following benefits are available to insurance-eligible teachers. These benefits are subject to the terms of the contract between the insurance carrier and the District.

- a. HEALTH COVERAGE. Teachers may enroll in employee-only, **employee-plus-one (+1)**, or dependent coverage. If the teacher does not enroll, their health insurance election will remain the same as the prior benefit year unless one or more plan options are not available or there is an insurance carrier change. If one or more plan options are not available or there is an insurance carrier change, then all employees must **be notified by the District of the change(s) at least forty-five (45) days prior to the beginning of open enrollment and any employee who wishes to continue or start coverage must enroll.** ~~enroll for coverage. Employees would be notified that they must enroll.~~
 - 1. CONTRIBUTION- TEACHER ONLY. Effective January 1, 2015, the District will pay the full cost of the cost towards the lower/lowest cost employee-only plan(s) and the teacher will contribute up to \$600 annual maximum (up to \$30 per pay-check **paycheck** maximum) towards the highest cost plan premium, less the cost of the lower cost plan premium.
 - 2. CONTRIBUTION-DEPENDENT. Effective January 1, ~~2015~~**2017**, the District ~~shall~~ **will** contribute ~~5,050~~**\$5,650** above the full cost of employee-only coverage toward the cost of family health plan coverage. The teacher ~~shall~~ **will** pay the difference between the District contribution and the total cost of the family health plan coverage. Effective January 1, ~~2017~~**2018**, the District ~~shall~~ **will** contribute ~~\$5,650~~**\$6,650** above the full cost of employee-only coverage toward the cost of family health plan coverage. The teacher ~~shall~~ **will** pay the difference between the District contribution and the total cost of the family health plan coverage.
 - 3. CONTRIBUTION-MARRIED COUPLE. Married teachers employed by the District and enrolled in dependent coverage ~~shall~~ **will** each be credited with the teacher-only contribution. One spouse, designated by the couple, ~~shall~~ **will** carry dependent coverage and receive the employee-only contribution from both teachers. Effective

January 1, ~~2015~~ **2017**, the District ~~shall~~ **will** contribute ~~\$5,050~~ **\$5,650** above the full cost of employee-only coverage toward the cost of family health plan coverage. The teacher ~~shall~~ **will** pay the difference between the District contribution and the total cost of the family health plan coverage. Effective January 1, ~~2017~~ **2018**, the District ~~shall~~ **will** contribute ~~\$5,650~~ **\$6,650** above the full cost of employee-only coverage toward the cost of family health plan coverage. The teacher ~~shall~~ **will** pay the difference between the District contribution and the total cost of the family health plan coverage.

4. CONTRIBUTION-DOMESTIC PARTNER. Domestic partners employed by the District ~~shall~~ **will** be credited with the teacher-only contribution. One partner, designated by the partners, ~~shall~~ **will** carry dependent coverage and receive the employee-only contribution from both teachers. Effective January 1, ~~2015~~ **2017**, the District ~~shall~~ **will** contribute ~~\$5,050~~ **\$5,650** above the full cost of employee-only coverage toward the cost of family health plan coverage. The teacher ~~shall~~ **will** pay the difference between the District contribution and the total cost of the family health plan coverage. Effective January 1, ~~2017~~ **2018**, the District ~~shall~~ **will** contribute ~~\$5,650~~ **\$6,650** above the full cost of employee-only coverage toward the cost of family health plan coverage. The teacher ~~shall~~ **will** pay the difference between the District contribution and the total cost of the family health plan coverage.

b. LIFE INSURANCE.

1. BASIC LIFE INSURANCE. Insurance-eligible teachers are automatically enrolled for \$50,000 (plus Accidental Death and Dismemberment of \$50,000) of District-paid basic life insurance coverage. To have a named beneficiary, an enrollment beneficiary designation form must be on file with the District.
2. SUPPLEMENTAL LIFE. Insurance-eligible teachers may purchase additional life insurance in \$10,000 increments, up to the policy limits for coverage. Eligible employees may apply for supplemental life coverage at any time. Evidence of good health is not required for supplemental life if applied for during the first thirty (30) days of employment. Employees should be aware that life insurance from an employer in excess of \$50,000 is a taxable benefit under IRS rules and subject to payroll deductions as imputed income.

- c. DENTAL INSURANCE. Teachers may enroll in employee-only, **Employee Plus One (+1)**, or family coverage. If the teacher does not enroll **in dental insurance**, their health **dental** insurance election will remain the same as the prior benefit year unless one or more plan options are not available or there is an insurance carrier change. If one or more plan options are not available or there is an insurance carrier change, then all employees must **be notified by the District of the change(s) at least forty-five (45) days prior to the beginning of open enrollment and any employee who wishes to continue or start coverage must enroll.** ~~enroll for coverage. Employees would be notified that they must enroll.~~

Effective beginning with the 2014 plan year, the District shall pay a portion of the monthly premium for dental coverage. The employee's annual contribution for dental coverage shall be as follows:

- a. Employee only: \$100.00 annually
- b. Employee +1: \$200.00 annually
- c. Employee + family: \$300.00 annually

- d. LONG-TERM DISABILITY INSURANCE. Insurance-eligible teachers are automatically enrolled for District paid long-term disability insurance. The long-term disability insurance plan replaces **two-thirds (2/3) of the teacher's base salary**, ~~sixty percent (60%) of monthly earnings. The maximum monthly benefit for teachers who become~~

disabled is \$3,500 (\$42,000 annual maximum benefit, maximum salary \$70,000). There is a 90 consecutive work day elimination period before benefits begin. The long-term disability insurance benefits are coordinated with TRA and Social Security benefits.

Teachers receiving long-term disability benefits shall continue to receive the District's contribution for health, dental, and life insurance from the date the long term disability benefit begins.

- e. LONG-TERM CARE BENEFIT. Eligibility will be determined by the plan provider. Eligible teachers shall have the option to participate in the plan on a voluntary basis. Any payments to the plan provider will not be made on a before-tax basis; however, teachers may choose to have amounts deducted from their after-tax earnings and submitted to the plan provider on their behalf.

Subd. 3. Enrollment for Insurance Benefits: The teacher is automatically enrolled in life and long-term disability insurance, **as well as the sick-leave pool.** The teacher must enroll to be covered by health insurance and dental insurance. Teachers may waive all or some insurance coverage **and enrollment in the sick-leave pool** by completing a waiver of coverage form.

- a. INITIAL ENROLLMENT. New teachers or teachers who become insurance-eligible must enroll within the first thirty (30) calendar days of becoming insurance-eligible.
- b. EFFECTIVE DATE OF COVERAGE. Medical coverage becomes effective the day the completed enrollment forms are submitted to Employee Benefits. Teachers must be actively at work on the effective date of coverage. Dental coverage becomes effective the first of the month immediately following the dental enrollment date.
- c. LEAVE OF ABSENCE. Teachers on paid and unpaid leaves of absence may continue **any combination of** health, dental, and life insurance. Teachers on paid or Family and Medical Leave Act (FMLA) leaves of absence must pay their portion of premium (if any). Teachers on unpaid leaves may continue coverage at the ~~teachers'~~ **teacher's** own expense as provided by federal and state COBRA continuation coverage laws. Failure to pay premiums when due will cause coverage to lapse. Teachers who allow insurance coverage to lapse while on leave, must re-enroll within 30 calendar days of returning from leave to obtain coverage. A teacher who does not re-enroll within thirty (30) calendar days, must wait for the next open enrollment period to enroll.

MAINTAINING ELIGIBILITY FOR EMPLOYER CONTRIBUTION. The employer's contribution continues as long as the employee remains on the payroll in an insurance-eligible position. Teachers who complete their regular school year assignment shall receive coverage through August 31. (Note: See Subd. 3.c. above, and Article XI., Section B. if you are on a paid or Family and Medical Leave Act (FMLA) leave of absence at the end of the regular school year.)

Subd. 4. Before-Tax Benefits:

- a. INSURANCE DEDUCTIONS. Premiums deducted from the teacher's payroll check to pay for health and/or dental insurance coverage are automatically taken on a before-tax basis, unless the teacher has indicated otherwise in writing to Employee Benefits. The premiums paid by the teacher, if any, are not subject to federal, state, ~~and~~ **or** Social Security (FICA) taxes. Reports of earnings to TRA and pension deductions will be based on gross earnings. The before-tax deductions are subject to the requirements of Section 125 of the Internal Revenue Code as amended from time to time.
- b. DEPENDENT CARE ASSISTANCE PLAN. A teacher may designate an amount per year, from earnings, on which there will be no federal income tax withholding, for dependent care assistance (as defined in Section 125 of the Internal Revenue Code as amended from time to time), ~~to allow the teacher to work.~~

- c. FLEXIBLE SPENDING ACCOUNT (FSA). A teacher may designate an amount per each year to be placed into the teacher's Flexible Spending Account (as defined in Section 125 of the Internal Revenue Code). The amounts in the account may be used to reimburse the teacher for uncovered medical, dental, and other related expenses (as defined in Section 125 of the Internal Revenue Code) for the employee and their dependents. Amounts placed in the account are not subject to federal, state, and/or Social Security (FICA) taxes. Reports of earnings to TRA and pension deductions will be based on gross earnings.

Section B. Retiree Premium Reimbursement:

Teachers retiring after July 1, 2009, are not eligible for MSRS reimbursements under this section.

The District shall make an annual payment, of up to the amount indicated in the accompanying table for the year of retirement, ~~annually~~ to the retiree's Minnesota State Retirement System (MSRS) post-retirement health care savings account for those who meet the eligibility requirements in Subd. 1. This payment is to reimburse retirees for medically-related expenses, including health insurance premiums, through payments from their MSRS account. The retiree must provide satisfactory evidence of allowable medical expenses to MSRS before payment will be transferred from their MSRS account. Payments from the account may be transferred electronically. Retirees who show evidence that they are covered by a spouse's medical insurance may be able to opt out of the MSRS health care savings account. Beneficiaries of the deceased teacher's estate must submit a claim(s) form to receive reimbursement for the balance remaining in the retiree's account. This provision is subject to IRS rulings, federal, and/or state laws.

This is a "no tax paid in, no tax paid out" account; i.e., no taxes are paid on monies going in or leaving the account.

The District shall contribute an annual amount towards Retiree Health Reimbursement for eligible teachers (under Subd. 1,) up to a maximum aggregate contribution of \$2,100,000.

Subd. 1. Eligibility: All of the requirements must be met:

- a. The teacher retired under the 1983-85, and subsequent contracts as referenced in the table contained in this section.
- b. The teacher is eligible to retire under the Teachers Retirement Association (TRA) and retired from the Minneapolis Public Schools with 10 or more years of service in the District credited by the Teachers Retirement Association (TRA). Eligibility for retirement and the effective date of retirement should be determined by the teacher in consultation with TRA (651-296-2409).
- c. The teacher retired from a position in Minneapolis Public Schools and was eligible for insurance benefits at the time of retirement.
- d. The teacher has not reached Medicare eligibility.
- e. The teacher has been retired from the District for at least one semester. Teachers who retire at the end of the regular school year assignment become eligible for reimbursement at the conclusion of the following school year.

Subd. 2. Reimbursements: The annual health reimbursement payment amount shall be determined by the retiree's retirement date as indicated in the following table.

Retirement Date	Annual Amount
July 1, 1991 to June 30, 1993	\$600
Jan 1, 1992 to June 30, 1992*	\$1,550
July 1, 1993 to Mar 25, 1994	\$600

Mar 26,1994 to June 30, 1997	\$950
Sept 12, 1995** to June 30, 1997	\$1,900
July 1, 1997 to June 30, 1998	\$2,050
July 1, 1998 to June 30, 1999	\$2,150
July 1, 1999 to June 30, 2000	\$2,450
July 1, 2000 to June 30, 2001	\$2,950
July 1, 2001 to June 30, 2007	\$3,000
July 1, 2007 to June 30, 2009	\$3,500
July 1, 2007 to June 30, 2008***	\$5,000

*Please note applicable language in the 1991-93 contract states: " ... and has notified the District of the retirement prior to June 30 1992."

**1993-1995 contract ratification date

*** If the teacher has submitted a non-rescindable retirement form to the District by 3/14/08, the reimbursement will be \$5,000 for 2 years then will be \$3,500 after the two years.

Section C. Retiree Insurance:

Eligibility: Teachers who retire and have met the age and service requirement necessary to receive an annuity from the Teachers Retirement Association (TRA) shall have the option to remain in the active employees health and dental group insurance plans. Also, teachers who have continuously participated in the District's health and/or dental insurance plans are eligible to continue coverage beyond the 18-month period under the CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT (COBRA) . Eligible retired teachers and their spouses may remain in the active plan until they become Medicare eligible, and become eligible for the Medicare Supplement plan(s) and/or the Medicare Supplement plan(s) offered through Teachers Retirement Association (MN Statute §471.61 Subd. 2B). Subject to the administrative requirements of the District, the carrier contracts, labor agreement, and state and federal law, Dependents may remain in the group until the retired employee is no longer eligible.

Premium Payment: Retired teachers shall pay the total premium plan plus the additional two percent administrative fee charged under COBRA. The cost of retirees' health insurance, dental insurance, and long-term care insurance premiums may be reimbursed from their post-retirement health savings account. Teachers who pay for COBRA benefits through MSRS will be charged the 2% administrative fee. Medicare eligible retired teachers and/or their spouses shall pay the total premium for the Medicare Supplement plan(s).

Section D. Tax-Deferred Savings Plans: The District will make an employer matching payment to the tax-deferred savings plans, subject to the provisions in this article. The District Payment will be made to the State of Minnesota Deferred Compensation Plan (457), the Special School District No. 1 403(b) Plan or other approved District sponsored plans. All employer and employee amounts paid to the State of Minnesota Deferred Compensation Plan (457), are subject to FICA, or social security taxes. All employee contributions to the 403(b) plan are subject to FICA, but employer contributions to the 403(b) plan are not subject to FICA. All payments made to any sponsored plan will have appropriate state and federal payroll deductions.

In connection with the establishment and continuation of the 403(b) plan, the District and the Labor/Management Benefits Committee designed the plan, selected the plan's administrative and investment providers, is the exclusive manager of the plan's communications with employees, and is responsible for ongoing monitoring of the plan's investments and all administrative services provided to the plan.

Employees should ensure tax-deferred savings payments do not exceed IRS limits. If limits are exceeded, the District will stop deductions to these accounts.

Employer Contributions/Employee Deferrals: 403(b) employer contributions are in addition to your limit. 457 employer contributions are included in your limit. For detailed current information concerning deferral limits, see the IRS website (www.irs.gov). For current information about maximum shelter amounts, additional contributions, catch-up limits, and other details concerning the 457 or 403(b) plans, consult the plan's representative or website.

A teacher who terminates employment with the District prior to the time of the match payment, as a result of resignation, layoff, retirement, or discharge will not be eligible for any further payment to the tax-deferred savings plans under this section.

Subd. 1. District Annual Match Payment: The District shall make an employer matching payment to the State of Minnesota Deferred Compensation Plan (457), the Special School District No. 1 403(b) Plan or other approved District sponsored plan. Teachers enrolled in the State of Minnesota Deferred Compensation Plan or the Special School District No. 1 403(b) Plan will be automatically eligible for the match. Teachers may enroll, change, or cease their deferral(s) at any time.

All of the following must be met.

- a. The District match payment will be made on a per teacher maximum determined through the use of the following formula: $\$12,600,000$ divided by the prior calendar year's number of teacher tax-deferred savings plan participants minus the teachers no longer actively working. (The definition of teachers not actively working is comprised of teacher terminations and teachers who are on unpaid leave who have a return to work date after the current school year.)
- b. Tax-deferred savings plan participants will be matched on a per pay period basis while they are deferring into the plan(s) until they reach the per teacher maximum for the calendar year.
- c. Only deductions that employees defer during the match period (calendar year) shall be matched by the District.
- d. The teacher must have enrolled, elected to defer, and in fact deferred a qualifying amount during the calendar year, to qualify for the match.
- e. Teachers on unpaid leave when the match is made on a per-pay-period basis will begin receiving their match when they return to paid status.

Amounts paid associated with health care or life insurance coverage choices shall not be used to meet the District Annual Match Payment requirement under this article.

Section E. Wellness Incentive

The District and the Union support and encourage teachers to maintain their physical and mental wellbeing. Healthy teachers are essential to the District and Union's shared interest that all students learn.

To promote and enhance employee health and wellness, and reduce the use of sick leave, the District shall offer teachers the opportunity to convert sick leave into a reimbursement for wellness-related expenses according to the following terms.

- 1. **Definition of Benefit.** Teachers will be eligible to cash in one (1) day of sick leave, calculated at the daily rate of pay at the time the teacher requests reimbursement, to reimburse for the costs of eligible wellness-related expenses. To qualify for the wellness incentive, teachers must have a sick leave balance based on the following table, as of June 30th each year:

Years of Service	Sick Leave Balance
0-1 year	40 hours (5 days)

2 years	80 hours (10 days)
3 years	120 hours (15 days)
4 years	160 hours (20 days)
5 years	200 hours (25 days)
6-10 years	360 hours (45 days)
11-15 years	560 hours (70 days)
16-20 years	760 hours (95 days)
21+ years	840 hours (105 days)

Teachers who, as of September 1, have five (5) years of continuous service in the District or an accumulated sick leave balance of at least twenty (20) days may cash in up to three (3) of their sick leave days to cover the cost of wellness-related expenses. The number of sick leave days used to fund reimbursements is based on the employee's daily rate of pay at the time the request is processed.

As the District has promoted wellness through the introduction of fresh, locally-sourced, and nutritious food in school cafeterias, many teachers may want to benefit from this source of quality nutrition and model healthy eating for students. Teachers, who as of September 1, have at least five (5) years of continuous service in the district or an accumulated sick leave balance of at least twenty (20) days may have the value of up to three (3) sick leave days transferred to their National School Lunch Program account. Teachers who have less than five (5) years of continuous service in the district and have an accumulated sick leave balance of at least nine (9) days may have the value of one (1) sick leave day transferred to their National School Lunch Program account.

- 2. Eligible Expenses for Reimbursement.** The following wellness-related expenses are eligible for reimbursement by cashing in ~~one (1)~~ **up to three (3)** sick leave days:
- a. Health club memberships (single, dual, or family) provided the teacher is included in the membership. Reimbursement would be made at the end of the fiscal year when the membership was active.
 - b. Exercise equipment, new or used, including but not limited to: outdoor or stationary bicycles, snowshoes and bindings, treadmills, stair climbers, rowing machines, sk2ng machines, home gym equipment, hockey/ice skates, personal trainers, skis (including poles, mountings and bindings), **kayaks (including paddles and life-vests), canoes (including paddles and life-vests)**, sales tax on equipment, weights, exercise balls, inline skates, protective gear such as helmets, etc.
 - c. Exercise classes **including but not limited to yoga, fitness, pilates.**
 - d. Behavior modification programs (e.g. smoking, diet, etc.)
 - e. **Recreational activities and lessons such as dancing lessons, bowling, horseback riding, whirlpools, saunas, and massage therapy.**
 - f. **State and National Park passes**
 - g. **Club memberships of a primarily recreational nature such as country clubs, golf, or tennis memberships.**
 - h. **Accessory items such as clothing, book holders, water bottles, etc.**
 - i. **Shipping and delivery charges.**
 - j. **Entrance fees, court fees, greens fees, lift tickets, license fees, permit costs, towel fees, tanning fees, locker fees, camping fees etc.**

3. Expenses Not Eligible for Reimbursement. Any item not listed in paragraph (b) above shall not be eligible for reimbursement. In addition, the following items are not eligible for reimbursement:

- a. Club memberships of a primarily recreational nature such as country clubs, golf, or tennis memberships.
- b. Accessory items such as clothing, book holders, water bottles, etc.
- c. Shipping and delivery charges.
- d. Entrance fees, court fees, greens fees, lift tickets, license fees, permit costs, towel fees, tanning fees, locker fees, etc.
- e. Recreational activities and lessons such as dancing, bowling, horseback riding, whirlpools, saunas, and massage therapy.

4. Processing Reimbursements. The following procedure will be used to process claims for reimbursement.

- a. The wellness incentive is a reimbursement program. Employees incur expenses and submit claims to the Benefits division of HR Operations.
- b. Claims for reimbursement cannot be for less than the equivalent of one (1) sick leave day.
- c. Teachers will be reimbursed for expenses incurred July 1st through June 30th each year. Sick leave days that are used for reimbursement will be subtracted from the teacher's sick leave balance.
- d. Days that are reimbursed cannot be used for sick leave.
- e. Teachers must be active on the payroll at the time reimbursable expenses were incurred.
- f. Documentation for the reimbursable expense must be dated, show the teacher as the purchaser, and clearly show what was purchased. The expense must be made by the teacher for the teacher's personal use. A paid receipt, charge slip, cancelled check, or health club statement showing the credit are all allowable. Copies of such documentation are acceptable.
- g. Cashed in sick leave days as part of this reimbursement program are taxable income. As such, they are subject to state and federal withholding as well as standard Social Security and Medicare taxes.
- h. Reimbursements will be for a full day only

Section F. Wellness Pay (Sick Leave Severance)

Teachers who are eligible to retire shall have up to ~~fifty (50)~~ **a sixty (60) percent** of their unused sick leave at their current daily rate of pay contributed to a Minnesota State Retirement System (MSRS) Post Retirement Health Care Savings Account following the end of the school year during which they retired. The following shall apply:

1. Teachers must be eligible to retire under the Teachers Retirement Association (TRA) at the time of separation from the Minneapolis Public Schools;
2. Teachers must be at least fifty-five (55) years of age or credited with thirty (30) years of service by the Teachers Retirement Association, or otherwise eligible for retirement as determined in consultation with the Teachers Retirement Association (TRA, 651-296-2409);
3. Any sick leave previously converted (i.e., through Career Transition Trust) shall be deducted from the final contribution in accordance with the Wellness formula (See formula and example calculations shown below);
4. Severance Pay Formula: Payroll uses the following agreed upon formula for calculating severance pay at retirement:
 - a. Step 1: Calculate the total number of your unused wellness (sick leave) days at your daily rate of pay at retirement (including any previously converted days under Career Transition Trust);
 - b. Step 2: Divide this dollar amount by 2 (Severance is paid at ~~50%~~ **a sixty (60) percent** of current pay rate),
 - c. Step 3: The balance is paid less any previously contributed dollars through Career Transition Trust.

Pending IRS ruling, retirees who are enrolled in a non-district provided health insurance plan, or if both retirees were/are district employees or who are covered by a spouse/partner's plan, at the time their district health insurance contribution (that was earned while actively employed) ceases, will not receive a contribution to the Minnesota State Retirement System's Post Retirement Health Care Savings Plan, but will instead receive a severance amount as a cash payment, provided said retirees provide the required documentation.

Section G. Survivor Benefits Under the Career Transition Trust Plan and Wellness Plan:

- a. For purposes of disbursing Career Transition Trust and/or Wellness funds, a named beneficiary may include a named beneficiary designated under:
 1. the Basic life insurance coverage in Article IX., Section A.2b;
 2. a Deferred compensation account(s) which received disbursements of Career Transition Trust or matching funds;
 3. a Minnesota State Retirement System (MSRS) account, if established; and/or,
 4. a Teacher's Retirement Association account.
- b. The Career Transition Trust account shall be disbursed to the teacher's named beneficiary on the deferred compensation Plan, or the teacher's estate.

Wellness pay shall be disbursed to the teacher's named beneficiary or estate, provided that the teacher is fifty-five (55) years of age, was credited with thirty Section F. Wellness Pay (Sick Leave Severance)

Teachers who are eligible to retire shall have up to ~~fifty (50)~~ **sixty (60)** percent of their unused sick leave at their current daily rate of pay contributed to a Minnesota State Retirement System (MSRS) Post Retirement Health Care Savings Account following the end of the school year during which they retired. The following shall apply:

1. Teachers must be eligible to retire under the Teachers Retirement Association (TRA) at the time of separation from the Minneapolis Public Schools;

2. Teachers must be at least fifty-five (55) years of age or credited with thirty (30) years of service by the Teachers Retirement Association, or otherwise eligible for retirement as determined in consultation with the Teachers Retirement Association (TRA, 651-296-2409);
3. Any sick leave previously converted (i.e., through Career Transition Trust) shall be deducted from the final contribution in accordance with the Wellness formula (See formula and example calculations shown below);
4. Severance Pay Formula: Payroll uses the following agreed upon formula for calculating severance pay at retirement:
 - a. **Step 1:** Calculate the total number of your unused wellness (sick leave) days at your daily rate of pay at retirement (including any previously converted days under Career Transition Trust);
 - b. **Step 2:** Divide this dollar amount by 2 (Severance is paid at ~~50%~~ **60%** of current pay rate),
 - c. **Step 3:** The balance is paid less any previously contributed dollars through Career Transition Trust.

Pending IRS ruling, retirees who are enrolled in a non-district provided health insurance plan, or if both retirees were/are district employees or who are covered by a spouse/partner's plan, at the time their district health insurance contribution (that was earned while actively employed) ceases, will not receive a contribution to the Minnesota State Retirement System's Post Retirement Health Care Savings Plan, but will instead receive a severance amount as a cash payment, provided said retirees provide the required documentation.

Wellness Calculation - Example 1

- a. A teacher's paycheck shows five hundred sixty-eight (568) unused sick leave hours.
- b. The teacher converted eighty (80) hours to \$3,275.20 for CTT through their retirement date.
- c. The teacher's daily rate of pay is \$353.71. (Annual salary \$69,328/196 days = \$353.71).
- d. 568 Balance of unused sick leave hours
- e. + 80 Plus Career Transition Trust hours used through retirement date
- f. 648 Total sick leave hours (568 + 80)
- g. 86.4 Divide by 7.50 to equal unused sick leave days (648/7.50)
- h. **51.84** **Multiply by 0.6 equal 60% of unused sick leave days (86.4*0.6)**
- i. x353.71 Times Daily Rate at retirement
- j. 15,297.96 Multiply **60%** of unused sick leave days by daily rate of pay (44.5 **51.84** x \$353.71)
- k. 18,336.33
- l. - 3,275.20 Subtract Career Transition Trust dollars paid through retirement date
- l. **15,061.13** **Total wellness amount (\$18,336.33 - \$3,275.20)**

Wellness Calculation - Example 2:

- a. A teacher's paycheck shows 470.4 unused sick leave hours.
- b. The teacher converted 456 sick leave hours to \$19,140.38 for CTT through retirement date.
- c. The teacher's daily rate of pay at retirement is \$353.71. (Annual salary \$69,328/196 days = \$353.71).
- d. 470.4 Balance of unused sick leave hours
- e. +456 Plus Career Transition Trust hours used through retirement date
- f. 926.4 Total sick leave hours (470.4 + 456)
- g. 123.52 Divide by 7.5 to equal unused sick leave days (926.4/7.5)
- h. ~~61.76 Divide by 2 to equal 50% of unused sick leave days (123.52/2)~~ **74.11** **equal 60% of unused sick leave days (123.52*0.6)**
- i. x353.71 Times Daily Rate at retirement

j	21,845.13 <u>26,214.16</u>	Multiply 60% 50% of unused sick leave days by daily rate of pay (61.76 <u>74.11</u> x \$353.71)
k.	-19,140.38	Subtract Career Transition Trust dollars paid through retirement date
l.	2,704.75 <u>7,073.78</u>	Total wellness amount (\$26,214.16 - \$19,140.38)

Section G. Survivor Benefits Under the Career Transition Trust Plan and Wellness Plan:

- a. For purposes of disbursing Career Transition Trust and/or Wellness funds, a named beneficiary may include a named beneficiary designated under:
 1. the Basic life insurance coverage in Article IX., Section A.2b;
 2. a Deferred compensation account(s) which received disbursements of Career Transition Trust or matching funds;
 3. a Minnesota State Retirement System (MSRS) account, if established; and/or,
 4. a Teacher's Retirement Association account.
- b. The Career Transition Trust account shall be disbursed to the teacher's named beneficiary on the deferred compensation Plan, or the teacher's estate.
- c. Wellness pay shall be disbursed to the teacher's named beneficiary or estate, provided that the teacher is fifty-five (55) years of age, was credited with thirty (30) years of service, or was otherwise eligible to retire under the Teachers Retirement Association, subject to the following:
 1. In the event the teacher dies before her/his separation from the District, the teacher's wellness pay shall be disbursed to the teacher's named beneficiary or estate;
 2. In the event a teacher dies after separation, but before all or a portion of the wellness pay has been disbursed, the balance due shall be paid to the beneficiary named for the basic life insurance coverage in Article IX, Section A.2.b;
 3. Once wellness pay is deposited in a Minnesota State Retirement System account, beneficiaries of the deceased teacher's estate must submit a claim(s) to receive reimbursement for the balance remaining in the retiree's account. This provision is subject to IRS rulings, federal and/or state laws.

Section H. Interim Pay. The Superintendent will approve interim pay for teachers hired July 1, 1994 and thereafter who, on the first school day of the academic year at the end of which they retire, have ninety (90) days or more accrued sick leave and who notify the District before March 1 of their intent. Teachers who have ninety (90) days or more will receive five (5) days interim pay on the ~~pay-day~~ **payday** following spring break. Teachers who have one hundred forty (140) or more accrued sick leave days will receive ten (10) days interim pay on the ~~pay-day~~ **payday** following spring break. Teachers who have one hundred ninety (190) or more accrued sick leave days will receive fifteen (15) days interim pay divided equally between the two (2) ~~pay-days~~ **paydays** following spring break.

Section I. Wellness Goals

The District wellness goals will include, but are not limited to:

- Maintain or improve the health of employees to meet the demands of students;
- Reduce the cost of health care benefits through early detection and wellness strategies;
- Demonstrate that the district is a quality employer that cares about the health and welfare of its employees;
- Increase the information and understanding of employees about their own health risks and habits in order to make good lifestyle decisions;
- Partner with health, dental, and mental health providers to support the district wellness efforts;

- Provide promotional events and strategies to encourage, incent, and reward employee wellness awareness and participation;
- District regular newsletter on wellness issues and activities to all union groups;
- Encourage, develop, and support individual worksite wellness activities;
- Develop and deliver health-related presentations and promotions at sites;
- Continue to identify, train, and support key communicators at worksites;
- Increase timely access to screening and prevention for employees at work sites.

Section J. Deduction for Education Fund:

An education fund payroll deduction is available. The purpose of the fund is to help teachers save for their children's college and/or their own continuing education. The District will provide the after-tax payroll deduction. Deductions may also be made to the Minnesota College Savings Plan, an after-tax IRS 529 plan. A 529 plan is an after-tax investment with no tax consequences on the gain as long as the money is used for education.

Section K. Retirement:

In general, eligibility for retirement is determined by the Teacher's Retirement Association (TRA):

- Basic members are teachers hired before July 1, 1978.
- Coordinated members are teachers hired after July 1, 1978.
- Teachers hired before July 1, 1989 are covered by the rule of ninety (90), that is, years of service plus age is greater than or equal to ninety (90).
- The combined service law permits the accrual of service outside the Minneapolis Public Schools.
- Any further questions may be answered by the TRA office (651-296-2409).

Section L. Other Reimbursements and Insurance Benefits

Subd. 1. Automobile Liability Insurance. ~~The teacher's individual insurance provides the coverage for transporting students in a teacher's personal automobile. School Social Workers, Early Childhood Family Education teachers, or any teacher directed who transport students providing proof of at least \$300,000 automobile liability insurance coverage shall be indemnified by the District as long as they are performing duties within the course and scope of their duties are entitled to be compensated \$100 per school year for purposes of deferring the automobile insurance premium costs. Teachers providing proof of coverage who receive the insurance compensation are also subject to a check of their driving record.~~

Subd. 2. Mileage. Mileage for use of personal automobiles for approved business shall be reimbursed at the prevailing Internal Revenue Service Rate.

[Note: The following language is also in Article XVI, Subd. 1 Teacher Telephones]

~~Where individual classroom and office telephones are not yet available, a telephone (dedicated line) shall be maintained in each school building on the basis of need for the use of teachers and in locations convenient to teachers. A telephone so installed may be disconnected during the summer months in those schools not in session. Teachers shall reimburse the school for chargeable personal calls.~~

Subd. 3. Scholarship Fund. The District and/or Achieve Minneapolis shall develop a scholarship fund that will help teachers with general education licenses pursue licensure in special education. Teachers who accept scholarship funds shall teach within the licensure area for three (3) out of five (5) years after obtaining full licensure. A teacher who is unable to fulfill this commitment shall pay back the District on a pro-rated basis depending on the amount of time spent working in Special Education after full licensure was obtained. The District and Union shall communicate special education scholarship/licensure opportunities.

Section M. Automatic Payment Options: Teachers who are retired, are able to pay for their monthly health insurance premiums through automatic pay directly from a savings or checking account. Additional information is automatically distributed to retirees and others on leaves of absence from the Division of Human Resources/Employee Benefits.

Section MN. Additional Voluntary/Optional Coverages: MPS may offer additional optional coverage (i.e., spouse or dependent life insurance, identity protection, supplemental medical or short-term disability insurance, or other similar voluntary benefit plans) to employees at the district's discretion as new products become available and provide desirable options to employees. These benefits will usually be added as part of an upcoming open enrollment period, and teachers who are interested will have this new option to enroll. Employees are under no obligation to sign up for any of the voluntary benefits.

MFT Filename: Art. 9 - Paid Family Leave

Article IX. Group Benefits

Section A. Subd. 2

f. PAID FAMILY/FAMILY MEDICAL LEAVE. The District will provide up to fifteen (15) days of paid leave to benefits eligible teacher as paid parental leave or paid family illness leave. This leave will not be deducted from the employee's sick leave. Eligible employees are the biological or adoptive parent, or employees who are the sister, brother, spouse or partner, child, aunt, uncle, niece, nephew, grandparents, grandchildren, mother-in-law, father-in-law, son-in-law, daughter-in-law, sister-in-law/brother-in-law, partner, in the position of parent or child, or who is a member of the teacher's household. The paid leave must be requested within 12 weeks of the qualifying event. Leaves requested pursuant to this article after the twelve (12) week window will be granted at the discretion of the administration at the teacher's site or the District.