

ARTICLE 38
FRINGE BENEFITS
Internal Revenue Code
Section 125 Cafeteria Plan

The Board shall establish for all eligible professional employees a fringe benefit program (hereinafter referred to as “Cafeteria Plan”) pursuant to Section 125 of the Internal Revenue Code of 1986, as amended, and regulations issued there under.

- A. Each professional employee performing the equivalent of fifty percent (50%) or more of a full-time position shall be eligible to participate in the defined Health Insurance Cafeteria Plan.

Professional employees who are hired to begin employment or who otherwise become eligible for benefits for the 2001-2002 school year or thereafter will receive coverage of the defined Health and Dental Insurance Plan adopted by the Board. The District will pay a prorated cost of a single policy for each professional employee performing the equivalent of fifty percent (50%) to sixty-nine percent (69%) of a full time position.

For each professional employee performing the equivalent of seventy percent (70%) or more of a full time position, the District will pay the cost of a single policy up to five hundred seventeen dollars and ninety-four cents (\$517.94), if the requirements identified in the Memorandum of Understanding (Appendix J) are satisfied.

The new coverage provisions for professional employees performing less than seventy percent (70%) of a full time position is effective immediately upon ratification of the 2010-2011 *Professional Agreement* and applies to anyone hired thereafter and any professional employee voluntarily reducing their employment status from full-time to less than seventy percent (70%) equivalent.

Professional employees retiring pursuant to Article 11 prior to October 1, 2001, shall be entitled to retirement pay in accordance with Article 11 in the amount of one hundred sixty-six dollars and sixty-eight cents (\$166.68) monthly until age sixty-five (65).

Professional employees retiring pursuant to Article 11 or who have retired shall be entitled to retirement pay in accordance with Article 11, and the District will pay the new defined Health and Dental Insurance Plan premium in the amount of five hundred seventeen dollars and ninety-four cents (\$517.94) until age sixty-five (65).

Should premiums increase for health insurance under the new plan after an individual has retired, the retiree will receive the same payment as provided all active professional employees, which may or may not require a contribution from the retiree.

- B. Each professional employee may elect to execute a “salary reduction and qualified benefit election agreement” (Election) with the Board. Professional employee contributions under such an Election shall be designated by the professional employee for the purchase of a qualified benefit or benefits from the following Board approved plans:

1. Health and hospital insurance.
2. Catastrophic illness insurance.
3. Up to sixty thousand dollars (\$60,000.00) of additional group term life insurance.
4. Dependent life insurance.
5. Salary protection insurance, which qualifies as accident and health insurance under I.R.C. Section 105.

Professional employees wishing to participate in the Cafeteria Plan shall complete a “salary reduction and qualified benefit election” agreement approved by the Board, and shall submit same to the Business Office on or between August 1 through August 18 of each year. The Election form shall be provided by the Board; however, it shall be solely the professional employee’s responsibility to complete the Election form and submit same to the Business Office on or before the prescribed date(s).

Each professional employee agrees to hold the Board and USD501 harmless from any failure on his or her part to submit an Election form in a timely fashion. Election forms will be available at each school building and the District administration building after August 1. Once executed and submitted to the Business Office, a salary reduction and qualified benefit election agreement shall be irrevocable for the relevant Plan Year. However, any Election may be revoked and a new Election executed if both the revocation and new Election are on account of and consistent with a change in family status (e.g., marriage, divorce, death of spouse or child, birth or adoption of child, and termination of employment of spouse), or as otherwise provide by I.R.C. Section 125 or regulations issued thereunder. Any other lawful changes must be requested for each subsequent Plan Year on or before August 18 as provided above.

Newly hired professional employees shall either execute or waive in writing a salary reduction and qualified benefit election agreement within thirty (30) calendar days following the date of their employment. The District shall only make elected reductions to or deductions from compensation in payroll periods beginning after the receipt of a professional employee’s executed Election form as provided above.

The Board shall select the provider for each of the qualified benefits offered under the Cafeteria Plan.

The District will allow Flexible Spending Accounts under Section 125 to include all reimbursables allowed by the IRS.

ARTICLE 39

LIFE INSURANCE

The District agrees that it will provide, without cost, to each professional employee, ten thousand dollars (\$10,000.00) in term life insurance. The District will make available dependent group life insurance for those wishing to pay the premiums through payroll deduction.