

SCHOOL BOARD POLICIES

REGARDING TERMS AND CONDITIONS OF EMPLOYMENT

FOR

GROUP I UNAFFILIATED/SUPERVISORY EMPLOYEES

**INDEPENDENT SCHOOL DISTRICT 16
1415 81st AVENUE, NE
SPRING LAKE PARK, MINNESOTA 55432**

Effective July 1, 2010 through June 30, 2012

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**ARTICLE I
PURPOSE**

These Policies are adopted by the School District of Independent School District 16, 1415 81st Avenue NE, Spring Lake Park, MN (hereinafter referred to as the School Board or School District) for the Unaffiliated/Supervisory I Employees to provide the terms and conditions of employment for these employees during the duration of these Policies.

**ARTICLE II
DEFINITIONS**

- 2.01 TERMS AND CONDITIONS OF EMPLOYMENT: Terms and conditions of employment means the hours of employment, the compensation therefore, including fringe benefits, except retirement contributions or benefits, and the employer's Human Resources policies affecting the working conditions of these employees. In the case of professional employees, the term does not mean educational policies of a School District.
- 2.02 EMPLOYEES: All Group I Unaffiliated/Supervisory employee positions consisting of, but not limited to, the Special Education Director and Coordinator, Athletic Director, Learning Alternatives Director, Human Resources Coordinator(s), Kid's Club Coordinator, Coordinator of Food Service Production, District Technology Coordinator, Communications Coordinator, ECFE Coordinator, District Facilities Supervisor, Controller, and Executive Assistant to the Superintendent, shall hereinafter be referred to as "employees."
- 2.03 INTERCHANGEABLE TERMS: Any reference to "School District," "School Board" or "Superintendent" shall be interchangeable and mean the "School Board" or its representatives.

**ARTICLE III
SCHOOL BOARD RIGHTS**

- 3.01 MANAGEMENT RESPONSIBILITIES: The employees under these policies recognize the right and obligation of the School Board to efficiently manage and conduct the operation of the School District within its legal limitations and with its primary obligations to provide an educational opportunity for the students of the School District.
- 3.02 EFFECT OF LAWS, RULES AND REGULATIONS: All employees covered by these policies shall perform the services and duties prescribed by the School Board and shall be governed by the laws of the State of Minnesota, and by the School Board rules, regulations, directives and orders, issued by properly designated officials of the School District. Employees shall also recognize the right, obligation and duty of the School Board and its duly appointed officials to promulgate rules, regulations, directives and orders from time to time as deemed necessary by the School Board insofar as such rules, regulations, directives and orders are not inconsistent with the terms of these provisions and recognizes that the School Board and all employees are subject to the laws of the State. Any provisions of these policies found to be in violation of any such laws, rules, regulations, directives, or orders shall be null and void and without force and effect.
- 3.03 RESERVATION OF MANAGERIAL RIGHTS: The foregoing enumeration of Board rights and duties shall not be deemed to exclude other inherent management rights and management functions not expressly reserved herein, and all

management rights and management functions not expressly delegated in these policies are reserved to the School Board.

- 3.04 ADDITIONAL ASSIGNMENTS: Employees covered by these Policies may be assigned to other duties as determined by their supervisor. Said employees may appeal in writing any such assignment to the Superintendent; however, all assignments shall be final as determined by the Superintendent.

ARTICLE IV RIGHTS OF THE EMPLOYEES

- 4.01 AT-WILL EMPLOYMENT: An employee covered under this Policy is considered an "at-will" employee. This means that he/she is free to voluntarily resign at any time for any reason. Similarly, the School District has the right to terminate an employees' employment at any time for any lawful reason.
- 4.02 RIGHT TO VIEW: Nothing contained in these Policies shall be construed to limit, impair or affect the right of any employee or his/her representative to the expression or communication of a view, complaint or opinion on any matter related to the conditions or compensation of public employment or their betterment, so long as the same is not designed to and does not interfere with the full faithful and proper performance of the duties of employment; nor shall it be construed to require any public employee to perform labor or services against his/her will.
- 4.03 RIGHTS IN THESE POLICIES: Nothing contained herein shall be construed to deny or restrict an employee concerning rights provided under Minnesota or other applicable laws or regulations.

ARTICLE V CONTRACT, DUTY YEAR, HOLIDAYS & NONDUTY DAYS

- 5.01 APPLICATION: The duty year for regular full-time employees shall be provided in these Policies.
- 5.02 DUTY YEAR: Each employee shall receive an individual assignment form for up to 229 days, which will begin on July 1 of a given year and end June 30 of the following year. An annual employment calendar will be developed for each employee by the Superintendent or his/her representative. The exact days to be worked may vary from the annual calendar by mutual consent of the individual employee and his/her supervisor.
- 5.03 HOLIDAYS
- A. All employees under these provisions shall be entitled to the following twelve (12) holidays:
- | | |
|---------------------|--|
| 1. New Year's Day | 6. Thanksgiving Day |
| 2. President's Day | 7. Day after Thanksgiving |
| 3. Memorial Day | 8. Christmas Day |
| 4. Independence Day | 9. Four dates to be determined by
the Superintendent or designee. |
| 5. Labor Day | |

B. The School District reserves the right to cancel any of the above holidays and establish another in lieu thereof, if school is in session on a designated holiday. Any holiday as outlined herein that falls within an employee's non-duty period shall not be counted as a non-duty day.

5.04 NON-DUTY DAYS: Employees will develop an annual duty day calendar that designates all non-duty days to be used throughout the contract year. This calendar must be approved by the employer's supervising Administrator. All non-duty days must be consistent with the needs of the School District as determined and approved by the School District. Non-duty days shall be used as of the last day of the employee's contract year. However, employees may transfer up to ten (10) unused non-duty days to the next contract year with approval from their supervising Administrator.

ARTICLE VI COMPENSATION

6.01 ANNUAL SALARY: All references to wages and salaries reflected in Section 6.05 shall be part of these policies for the specified year(s).

6.02 STATUS OF ANNUAL SALARY: If successor policies are not completed prior to the ending date of the current policies, an employee shall be compensated according to the last individual contract or assignment form executed between employee and the School District until such time that successor policies are executed.

6.03 NEW EMPLOYEES: A new employee to the school system or to the position will be placed on the salary schedule as agreed upon by the School District and the employee.

6.04 PAYROLL DEDUCTION: In the event that an employee is absent without paid leave and a pay deduction is to be made for such absence, the amount of the deduction shall be the employee's annual salary divided by the employee's actual number of duty days.

6.05 RATE OF PAY:

A. The salary for the employees described herein will be established by the District and will be reviewed as determined by the District. The annual salary for the employees will take effect July 1 and will be as specified in the employee's individual form.

B. The School Board reserves the right to withhold salary increases as the School Board shall determine. An employee denied a salary increase shall be notified in writing as to the reasons why the increase was withheld. A meeting with the Board may be arranged to discuss such salary increase denial with the employee involved.

6.06 EDUCATION: An individual possessing an earned Doctorate Degree by December 1 shall receive two thousand dollars (\$2,000) above schedule.

6.07 ADDITIONAL COMPENSATION: If the employee is assigned duties beyond the regular scope of work (i.e. summer school, special projects), the Superintendent or his/her designee shall determine any additional salary payments after discussing such assignment with said employee.

**ARTICLE VII
GROUP INSURANCE**

7.01 MEDICAL HOSPITALIZATION INSURANCE: Effective July 1, 2010, the district shall contribute a sum not to exceed \$578 per month toward medical-hospitalization insurance coverage for full-time staff employed by the District who qualify for and are enrolled in the District's group health and hospitalization plan. For any full-time employee enrolled in the District family deductible medical insurance plan, the district shall redirect \$82 from the premium contribution into a VEBA account in the employee's name. For any full-time employee enrolled in the District single deductible medical insurance plan, the district shall redirect \$578 minus the premium of the single deductible medical insurance plan into a VEBA account in the employee's name. Any additional cost of the premium above \$578 per month shall be borne by the employee and paid by payroll deduction.

(b) Effective July 1, 2011, the district shall contribute a sum not to exceed \$665 per month toward medical-hospitalization insurance coverage for full-time staff employed by the District who qualify for and are enrolled in the District's group health and hospitalization plan. For any full-time employee enrolled in the District family deductible medical insurance plan, the district shall redirect \$82 from the premium contribution into a VEBA account in the employee's name. For any full-time employee enrolled in the District single deductible medical insurance plan, the district shall redirect \$665 minus the premium of the single deductible medical insurance plan into a VEBA account in the employee's name. Any additional cost of the premium above \$665 per month shall be borne by the employee and paid by payroll deduction.

7.02 DENTAL INSURANCE: The District shall contribute a sum representing the dollar cost during the contract year(s) for individual coverage for a full-time Unaffiliated I to participate in the District's group dental plan.

7.03 VEBA PLAN CONTRIBUTION: The District shall contribute sixty dollars (\$60) per month to a VEBA plan for each full-time Unaffiliated.

7.04 LIFE INSURANCE: The School District shall provide each full-time employee a one-hundred thousand dollar (\$100,000) term life insurance policy. The premium for such policy shall be paid by the School District. The District will make arrangements with the carrier to permit the individual employee to purchase additional coverage at his/her own expense and at such rates and limitations as are provided by the carrier and the School District. For those employees not participating in the medical plan, the District shall purchase an additional twenty-thousand dollars (\$20,000) of life insurance.

7.05 LONG-TERM DISABILITY INSURANCE: The School District shall provide a group long-term disability plan for full-time employees who desire to participate in the plan and for employees on medical leave. The premiums for such a plan shall be paid one-hundred percent (100%) by the employees through payroll deduction.

A. This policy will provide for payment to an employee if the employee is totally disabled and under regular care of a licensed physician as a result of accident or sickness.

B. Benefits will begin after the number of consecutive days of total disability, as determined by the District Insurance Committee, and the income benefit

with total disability shall be equal to 66-2/3% of the basic monthly earnings.

- C. Pre-existing physical and mental conditions are fully covered.
 - D. The income benefit shall be reduced by the amount of any benefits payable under Worker's Compensation or similar legislation, such as TRA, PERA, Social Security, or any other federal, state, or municipal government plan.
 - E. The outline of provisions herein is subject to the carrier's master policy. If there is a conflict, the terms of the master policy shall govern. An employee may seek more detailed information regarding the master policy through the Human Resources Office of the School District.
- 7.06 ELIGIBLE EMPLOYEES: Only full-time employees shall be eligible for group insurance benefits as provided in this Article. For purposes of this Article, a full-time employee shall be one regularly contracted at least 1400 hours per year.
- 7.07 CLAIMS AGAINST THE SCHOOL DISTRICT: Any descriptions of insurance benefits contained in this Article are intended to be informational only. The eligibility for benefits of any employee shall be governed by the terms of the insurance policy purchased by the School District pursuant to this Article. It is understood that the School District's only obligation is to purchase an insurance policy and pay such amounts as agreed to herein and no claim shall be made against the School District as a result of a denial of insurance benefits by an insurance carrier.
- 7.08 DURATION OF INSURANCE CONTRIBUTION: An employee is eligible for School District contribution as provided in this Article as long as the employee is employed by the School District. However, any terminated employee may continue coverage in the group plan at the employee's expense pursuant to Minnesota law. Upon retirement, an employee shall be permitted to remain with the group at his/her personal expense. Premium payment shall be prepaid on a quarterly basis.
- 7.09 LIABILITY INSURANCE: The School District shall provide the following insurance coverage for employees included in these Policies:
- A. Excess automobile liability coverage.
 - B. General Tort liability coverage.
 - C. Error and omission insurance.
- 7.10 EMPLOYEE DEATH: In the event of an employee's death, the spouse/family will be permitted to continue to participate in group insurance programs if permitted under the insurance policy provisions, but shall pay the entire premium for such programs as he/she wishes to retain commencing with the employee's death. It is the responsibility of the spouse/family to make arrangements with the School District to pay to the School District the monthly premium amounts in advance and on such date as determined by the School District. The right to continue to participate in such group insurance programs shall be permitted as provided by the insurance carrier but in no event after the spouse reaches Medicare eligibility.

**ARTICLE VIII
LEAVES OF ABSENCE**

- 8.01 SICK LEAVE:

- A. Each employee under these provisions shall earn sick leave at the rate of seventeen (17) days per year, accumulative to a maximum of 255 days.
- B. The School District may require a medical certificate from a qualified physician concerning the health of the employee.
- C. The employee shall be permitted to utilize his/her annual sick leave accrual in advance of the monthly accrual, but any advance of sick leave shall be deducted from subsequent accrual.
- D. Any employee who has been absent for five or more consecutive days shall, upon his/her return to work, be required to provide a physician's statement indicating that such absence was due to illness and, further, that the employee is able to return to work.
- E. A qualified employee who has not utilized sick leave for any reason during the year, except bereavement leave, has the option of a floating holiday or three-hundred dollars (\$300) cash compensation.

8.02 BEREAVEMENT LEAVE

- A. Up to five (5) days of paid leave shall be granted for death in the immediate family. The particular number of days shall be subject to the discretion of the Superintendent. The immediate family shall be defined to mean spouse, child, parents and parents-in-law, brother, sister, grandparents, grandchildren, son-in-law, brother-in-law, and sister-in-law.
- B. Additional days of sick leave may be granted for death in the immediate family, as determined by the Superintendent, and involving such reasons as out of state funerals and time needed to address legal estates, et al matters
- C. Up to one (1) day of sick leave may be granted for all other deaths for which the employee requests to attend the funeral.

8.03 OTHER LEAVES: Leaves for legal business, emergencies and family reasons may be granted as recommended by the employees' immediate supervisor and as approved by the Superintendent or his/her representative. However, professional flexibility in duty days and/or hours should be utilized in dealing with such leaves.

8.04 MILITARY LEAVE: Military leave shall be granted by the School Board pursuant to law.

8.05 WORKERS' COMPENSATION: An employee receiving compensation under the Workers' Compensation Act may elect to apply accumulated sick leave credits in order to make up the difference between the Workers' Compensation payments and such employee's salary. Deductions from sick leave will be made on a prorated basis according to the additional payments to the employee. In no event shall additional compensation paid to the employee result in the payment of total daily, weekly, or monthly compensation in excess of such employee's basic salary.

- 8.06 SABBATICAL LEAVE: After a minimum of seven (7) years service as an employee, a sabbatical leave of absence for professional study may be granted, at the discretion of the School District, subject to such terms as determined by the School District.
- 8.07 MEDICAL LEAVE:
- A. A full-time employee who is unable to perform duties because of illness or injury and who has exhausted all sick leave credit available, or has become eligible for long-term disability compensation, shall upon request, be granted a medical leave of absence, without pay, up to one (1) year. The School District may, in its discretion, renew such a leave.
 - B. A request for leave of absence, or renewal thereof, under this section shall be accompanied by a written doctor's statement outlining the conditions of health and estimated time at which the employee is expected to be able to assume his/her normal responsibilities.
 - C. An employee who fails to comply with the provisions of this section or who fails to seek a medical leave as provided in this section may be terminated by the School District.
- 8.08 INSURANCE APPLICATION: An employee on unpaid leave under this Article is eligible to continue to participate in group insurance programs if permitted under the insurance policy provisions, but shall pay the entire premium for such programs that he/she wishes to retain, commencing with the beginning of the leave. It is the responsibility of the employee to make arrangements with the School District to pay the monthly premium amounts in advance and on such date as determined by the School District. The right to continue participation in such group insurance programs will discontinue upon termination of employment, pursuant to Minnesota law.
- 8.09 EXPERIENCE CREDIT: An employee on leave under this Article shall retain such amounts of experience credit for pay purposes and other accrued benefits, if any, which he/she had accrued at the time he/she went on leave for use upon his/her return. No additional experience credit for pay purposes or other benefits shall accrue for the period of time that an employee is on leave under this section.
- 8.10 SENIORITY: For purposes of seniority standing as a District employee on the District's seniority list for licensed (certified) employees, an employee on leave, pursuant to this Article, shall accrue seniority during his/her first calendar year of such leave of absence. Seniority shall not accrue for certified staff on continuous leave of absence beyond the first year of such leave of absence.
- 8.11 CHILD CARE LEAVE:
- A. An employee shall be afforded a child care leave of absence provided he/she follows the procedures outlined in this section. Failure to comply with provisions of this section shall constitute grounds for denying a child care leave and under such circumstances the employee's employment may be terminated by the School District. Child care leave shall be granted because of the need to prepare for and to provide parental care for a newborn child or adopted preschool child to one parent provided such parent is caring for the child on a full-time basis.

- B. In the event of pregnancy, an employee may continue his/her duties until the onset of the disability and thereafter utilize sick leave with pay during the period of disability. However, if the employee requests a child care leave prior to the onset of disability, such child care leave shall be in effect from the date of commencement through the period of child birth and recovery.
- C. A pregnant employee shall notify the Superintendent or his designee in writing not later than the end of the 6th month of pregnancy of the employees' intent to take a childcare leave. At such time, the employee shall provide a physician's statement indicating the estimated date of delivery of the child.
- D. The effective beginning date of such leave and its duration, or resignation if the employee so elects, shall be submitted by the Superintendent to the School Board for its action. In recommending the date of commencement and duration of the leave or the effective date of resignation, the Superintendent shall review each case on its individual merits taking into consideration the following:
 - 1. The continuity of the instructional program for the students.
 - 2. The desires of the employee.
 - 3. The capacity of the employee to perform his/her duties.
 - 4. The specific employment duties of the employee involved.
 - 5. The recommendation of the School District's physician, if required.
 - 6. The recommendation of the employee's physician, if any.
- E. In making a determination under Article VIII, Sub. E, concerning the commencement and duration of a child care leave of absence, or resignation if the employee elects to resign, the School District may, but shall not in any event, be required to:
 - 1. Grant any leave more than eighteen (18) months in duration.
 - 2. Permit the employee to return to his/her employment prior to the date designated in the request for a child care leave.
- F. If the employee complies with all provisions of this section, a child care leave shall be granted by the School District and the School District shall notify the employee in writing of its action.
- G. An employee returning from a child care leave shall be re-employed in a position for which he/she is qualified commensurate with a position occupied prior to the leave subject to the following conditions:
 - 1. That the position has not been abolished.
 - 2. That he/she returns on the date designated on the request for leave approved by the School District.
- H. Failure of the employee to return pursuant to the date determined in this section may constitute grounds for termination in the School District, unless the leave is extended pursuant to these Policies.
- I. The applicable periods of probation for employees as set forth in Minnesota Statutes are intended to be periods of actual service enabling the School District to have the opportunity to evaluate an employee's performance. Therefore, periods of time for which the employee is on Child Care Leave

shall not be counted in determining the completion of the probationary period.

J. An employee on a child care leave is eligible to participate in group insurance programs if permitted under the insurance policy provisions, but shall pay the entire premium for such programs as he/she wishes to retain commencing with the beginning of the child care leave. The right to continue participation in such group insurance programs, however, will terminate if the employee does not return to the District pursuant to this section.

K. Child Care Leave of absence granted under this section shall be leave without pay.

8.12 JURY DUTY: An employee who is called for jury duty will be reimbursed for the difference between the amount paid for such services and the employee's regular salary during the period of service. Employees will be expected to report for their regular duties when temporarily excused from attendance at court.

8.13 RETURN NOTIFICATION: Employees on any leave of absence must notify the Superintendent in writing of their intention to return to employment or must resign by February 1st of the year of their leave.

ARTICLE IX EARLY RETIREMENT

9.01 EARLY RETIREMENT: Full-time employees hired to the Unaffiliated I classification prior to July 1, 2002, who have completed fifteen (15) years of continuous service with School District 16 and are at least 55 years of age, or have completed 30 years of service under Minnesota Teachers Retirement or Public Employees Retirement Association, and have a minimum of ten (10) years of continuous service with School District 16, shall be eligible for early retirement pay pursuant to the provisions of this article, upon submission of a written resignation accepted by the School Board.

9.02 ELIGIBILITY: Full-time employees hired to the Unaffiliated I classification prior to July 1, 2002 who have completed the years of continuous service as specified in 9.01 shall be eligible for early retirement pay, pursuant to the provisions of this Article, upon submission of a letter of intent to retire by February 1, and a written resignation submitted to the Superintendent or his/her representative on or before April 1. Early retirement pay shall not be granted to any employee who is discharged for cause by the School District.

9.03 SERVICE DAYS:

A. Upon early retirement from District employment, an eligible employee shall receive as early retirement pay, the amount obtained by multiplying the employee's daily rate of pay by the number of unused sick leave days, but not to exceed two hundred five (205) days pay.

B. If during the last five (5) years before retirement an employee's contract is reduced due to health reasons or discontinuance of the position to less than 1.0, but continues at .8 or more, the early retirement pay shall be computed on the basis of a 1.0 contract.

- 9.04 DAILY RATE OF PAY: In applying these provisions, an employee's daily rate of pay shall be the daily rate of the basic salary listed in the contract or letter of employment at the time of retirement.
- 9.05 PAYMENT: Early retirement pay shall be paid by the District in the following way: 50% of the gross retirement amount being paid in September of the year of retirement, and the remaining 50% in January of the year following retirement. Each payment will be paid as follows: 40% to a 403B, 40% to a VEBA account and 20% paid directly to the retiree. No employee shall be eligible for early retirement pay if the employee is discharged by the District.
- 9.06 INSURANCE APPLICATIONS: An employee taking early retirement pursuant to this Article is eligible to continue to participate in group insurance programs if permitted under the insurance policy provisions. Employees who retire after execution of this Policy may be provided a monthly District contribution toward group health and hospitalization insurance according to individual letter of agreement. This contribution shall continue for a period of eighty-four (84) months or until Medicare qualified age, whichever occurs first, at which time such District contribution will cease. Employees shall pay the remaining balance due on premiums for such programs as he/she wishes to retain, commencing with early retirement. It is the responsibility of the employee to make arrangements to pay to the School District the monthly premium amounts in advance and on such date as determined by the School District. However, the right to continue participation in such group insurance programs will terminate upon reaching Medicare qualified age.
- 9.07 EFFECTIVE DATE: This Article shall be effective on the date of the adoption of these policies.
- 9.08 MAXIMUM NUMBER OF RETIREES: The annual number of employees granted early retirement may be limited to one (1) staff member. If the number of requests exceeds the limitation, priority shall be given on the basis of length of service to the School District.
- 9.09 REIMBURSEMENT PROGRAM: Any reimbursement an employee receives from the State of Minnesota shall accrue to the School District to help offset the cost of this Article.

ARTICLE X
RETIREMENT TRUST (403B PLAN)

- 10.01 PURPOSE OF RETIREMENT TRUST 403(B) PLAN: The objective of the Unaffiliated I Retirement Trust plan is to develop a long-term solution to the concept of early retirement (severance) as outlined in Article IX. Additionally, the purpose of the plan is to encourage employees to develop a financial plan for their future by providing funding, otherwise available at retirement, for investment during the course of employment with the District. This plan will require participation by the employee, coupled with a matching contribution from the District. Such plan shall be conducted under the rules of I.R.C. 403(b).
- 10.02 AMOUNT OF MATCHING CONTRIBUTION: The District shall match up to two thousand dollars (\$2,000) each year of the Unaffiliated I employee's contribution to the 403(b) plan.

10.03 ELIGIBILITY: Unaffiliated I employees shall be eligible to participate in the plan in the following manner:

Sub. 1: Unaffiliated I employees shall be eligible to receive matching funds upon commencing employment in the Unaffiliated I Unit in the District.

Sub. 2: Unaffiliated I employees hired to the Unaffiliated I classification on or after July 1, 2002 shall be eligible to participate in the 403(b) plan, and shall not be eligible for the Early Retirement benefits.

Sub. 3: Unaffiliated I employees hired before July 1, 2002, shall be eligible to participate in the 403(b) plan, and the District's accumulated contribution will be reduced from the employee's severance payment at the time of retirement.

Sub. 4: Unaffiliated I employee participants in the 403(b) plan shall be eligible for insurance as provided in 9.06.

Sub. 5: Eligible Unaffiliated I employees must make application for participation in the 403(b) annuity-matching program by July 1 for that school year. Once an eligible Unaffiliated I employee elects to participate in the 403(b) annuity matching program, said election is for that school year and will continue each subsequent year unless modified by the employee .

Sub. 6: Any Unaffiliated I employee on unpaid leave of absence shall not be eligible to participate in the plan.

10.04 MAXIMUM DISTRICT CONTRIBUTION: The amount the District shall contribute to any Unaffiliated I employees 403(b) plan shall not exceed thirty thousand dollars (\$30,000) during the time of the Unaffiliated I employee's employment with the District.

10.05 VOLUNTARY EMPLOYEE BENEFIT ASSOCIATION (VEBA) PLAN

A. Purpose of Plan: The objective of the VEBA plan is to develop a retirement account for employees to provide resources to supplement state retirement benefits and to provide funds for health care costs during retirement. Additionally, the purpose of the VEBA plan is to encourage employees to develop a financial plan for their future by providing money for investment during the course of their employment with the District that otherwise would have been available at retirement. The plan will require participation by the employee in a Tax Sheltered Annuity (TSA) account, coupled with a matching contribution from the School District, to a VEBA account.

B. Benefits: Unaffiliated I employees shall be eligible for an employer deposit into a VEBA account of an amount up to \$2,000 as a match to an employee deposit into a TSA account. For purposes of this article, a full-time employee shall be one regularly contracted per Section 7.06.

C. Administration of the Plan:

1. Benefits Cannot Be Accumulated. The School District contribution to a VEBA account (up to the amount set out in Subd B), will begin when the employee initiates an eligible TSA investment program through the District. An employee may elect to contribute more than the District match to the selected TSA investment program. The plan only defines the limits of the District's participation in the program.

The District match cannot be accumulated on a year-to-year basis if an employee elects to begin participation after the first year of eligibility.

2. Definition – Years of Service. Years of service shall mean the years of accumulated full-time equivalent service as of July 1. Employees with a start date of December 31 or earlier will be given credit for a full year of service for purposes of receiving the District match.
3. Plan Year Begins July 1. The annual year for the School District contributions shall be July 1 through June 30. Changes in District matching amounts shall occur on July 1 of each year. Employees must establish participation in an eligible TSA plan (403b), as defined by Minnesota law, before the District will begin to match VEBA contributions.
4. Employee Application for Eligible Investment Plan. Unaffiliated I employees must make application for participation in the eligible TSA plan by July 1 for that school year. Once an eligible employee elects to participate in the TSA investment program, said election is for that school year and will continue each subsequent year unless modified by the Unaffiliated I employee.
5. District Contribution is Automatic. When an employee has an eligible plan in effect, the District matching will be automatic unless the employee requests otherwise.
6. Compliance with Federal and State Laws. The plan is subject to applicable code provisions of the Minnesota Statutes, IRS Code Section 403(b).
7. Enrollment Limited to Participating Companies. Tax sheltered annuity purchases will be limited to companies approved by the District.
8. One Time Election for Current Employees. Unaffiliated I employees employed by the District in this classification prior to January 1, 2005 had the option to enroll in the plan in lieu of a post-employment District contribution as described in Section 10.06. Effective July 1, 2006, employees who did not make a one-time irrevocable election to forfeit the District contribution described in Section 10.06 may now participate in this plan without forfeiting the contribution described in Section 10.06.
9. Maximum District Contribution: The amount the District shall contribute to any Unaffiliated I employees matching VEBA plan shall not exceed thirty thousand dollars (\$30,000) during the time of the Unaffiliated I employee's employment with the District.

ARTICLE XI MISCELLANEOUS

11.01 REQUIRED RECORDS: All employees must provide for filing in the office of the Superintendent the following:

- A. A current MDE or MBT certificate if applicable.
 - B. A TRA or PERA retirement membership number.
 - C. A social security number.
 - D. A transcript of all college credits.
 - E. All certificates, etc. as required by state and federal laws.
- 11.02 COPIES OF THESE POLICIES: Copies of these Policies shall be reproduced at the expense of the School District after they are adopted and shall be presented to all employees now employed or hereafter employed or offered employment by the School District.
- 11.03 MILEAGE ALLOWANCE: An allowance of \$200/month (\$300/month for the Athletic & Activities Director, Human Resource Coordinators, Technology Coordinator, District Facilities Supervisor, and Special Education) shall be paid for official use of individual's private vehicle.
- 11.04 TAX SHELTERED ANNUITIES: Employees will be eligible to participate in a tax-sheltered annuity pursuant to United States Public Law No. 87-370 and M.S. 123.35, Sub. 12 and School District policy.
- 11.05 CONVENTIONS: The Superintendent shall determine the convention attendance for which the District will reimburse expenses, for employees covered by these Policies.
- 11.06 INDIVIDUAL CONTRACTS: Individual contracts shall be issued to each employee licensed by the MDE or MBT in accordance with applicable laws.
- 11.07 EMPLOYEE GROWTH ALLOWANCE: The School District shall pay its employees \$1,000 per year to be used by them for professional and community organization memberships, subscriptions, course enrollments and other related activities. Claims shall be paid as salary, subject to legally required deductions, including taxes, retirement, etc. and as counted salary. Any employee that leaves the employment of the School District, for any reason, prior to the termination of his/her annual contract period, shall have their personal/professional allowance prorated to the date of termination.
- 11.08 PAY EQUITY ADJUSTMENT. The School District reserves the right to unilaterally increase wages as provided herein, in its discretion, during the term of this agreement based upon its pay equity study.
- 11.09 RETROACTIVITY: As soon as administratively practical after execution of this Policy, the School District shall provide retroactive pay to all Employees employed as of the date of execution of this Policy for compensation, as outlined in this document.
- 11.10 COMMUNICATION ALLOWANCE: A monthly allowance per District policy shall be paid to designated Unaffiliated I employees to have a cellular phone available for school business. The allowance is to pay expenses for the purchase and maintenance of a phone and monthly charges. Employees are to give their cellular phone numbers to their office and to the District Office staff, and are required to have their cellular phone with them when away from their District building during District hours, or at District related events.