

# SIDE LETTER OF AGREEMENT

10/23/17

This agreement is between the Essex Westford Educational Community Unified Union School District ("District") and the Essex Westford Education Association Support Staff Unit ("Association").

WHEREAS, the parties are negotiating a successor collective bargaining agreement for support staff to take effect 7/1/17;

WHEREAS, the parties have reached tentative agreement on Article 11 (Insurance) for the successor agreement through the negotiations process;

WHEREAS, the parties are mutually interested in effectuating the Insurance tentative agreement to assist with the health insurance open enrollment process;

The parties hereby agree to the following provisions:

1. Effective 1/1/18, the following shall apply to all support staff relative to insurances. This language shall replace Article 19 of the *Master Agreement Between the Essex Town School Board and Essex Educators' Association Support Staff Unit July 1, 2015 – June 30, 2017*, and Article 11 of the *Agreement between the Essex Union High School Board, the Essex Junction Prudential Committee and the Essex Junction Westford Education Association Support Staff Unit 2014-2017* and Article IX of ET Master Agreement:

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## ARTICLE 11 INSURANCE

- 11.1 Coverage: The District agrees to provide insurance coverage for each eligible employee (as defined herein) subject to the rules, regulations, and eligibility requirements of the individual carrier, unless such eligibility requirements are modified by the terms of this Agreement, as set forth in this Article. Said insurance coverage shall be provided with the recognition that the District shall be held harmless for any and all cost or claims in the event that the insurance carrier denies coverage of such claim; further, the District shall not be liable for any act or omission of any insurance carrier, its employees or agents, or any person furnishing professional services provided pursuant to the insurance coverage terms. The District is not responsible for any revisions or amendments to the insurance plans outlined herein that are made by the carrier.
- 11.2 Carriers: The Association shall be given information concerning any planned changes in insurance carriers for coverage provided within this agreement. The District shall retain the right to decide which insurance carriers to have and to change such carriers at its discretion.
- 11.3 Duplication of Coverage: In the event that both spouses (or a parent and their eligible dependent) are employed by the District, the District will be obligated to provide only one insurance plan for the spouses and their eligible dependents, as defined by 15 V.S.A. Chapter 23, and 18 V.S.A. Chapter 106, as a unit (e.g., two-person or family plan).
- 11.4 Waiting Period: All insurance benefits described herein shall become effective beginning the first of the month beginning on or after the employee's first day of work as a full-time employee. Insurance benefit applications must be received in the District Office within thirty (30) days of date of hire.
- 11.5 Medical Insurance:
  - A Eligibility: Except as allowed under Article 11.5H, all regular full-time employees, their spouses/civil union partner and their eligible dependents may elect to participate in the District's group medical insurance plan. Coverage level shall be at the employee's discretion.
  - B Effective 7/1/17 through 12/31/17, the District shall offer the following plans to participating employees:

1. VEHI Dual Option Plan (Managed Parity): Participating employees who were employed by a former member district as of 6/30/17 shall contribute the same percentage of the premium in effect for them as of 6/30/17 as outlined below:
  - a. Full-time employees continuously employed by the Essex Junction School District or Essex Union #46 School District prior to 7/1/15 shall pay 8.25% of the premium regardless of the level selected.
  - b. Full-time employees continuously employed by the Essex Junction School District or Essex Union #46 School District prior on or after 7/1/15 shall pay 10% of the premium regardless of the level selected.
  - c. Full-time employees employed by the Westford School District as of 6/30/17 shall pay 8.25% of the premium regardless of the level selected.
  - d. Full-time 12-month employees employed by the Essex Town School District as of 6/30/17 shall pay 9% of the premium regardless of the level selected.
  - e. School-year employees employed by the Essex Town School District as of 6/30/17 shall pay 9% for single coverage and 25% for 2-persons or family coverage.

Full-time employees hired on or after 7/1/17 shall contribute ten (10%) of the premium cost of the VEHI Dual Option Plan regardless of the coverage level selected.

2. VEHI Comprehensive Plus 1200 Plan (Managed Parity). Participating employees shall contribute five percent (5%) of the premium cost of the Comprehensive Plus 1200 Plan. The District shall also reimburse participating employees for deductible costs for this plan up to \$1,200 for single coverage, \$2,400 for two person and family coverage.
  3. VEHI J Plan (Unmanaged Parity). This plan is only available for employees who were enrolled in this plan as of June 30, 2017. For the JY-MB Plan the District's contribution towards premium costs shall be limited to an amount equal to the District's premium costs for the VEHI Dual Option Plan noted above.
- C. Article 11.5B shall sunset effective 12/31/17. Effective 1/1/18, the District shall offer the following VEHI Plans to participating employees: (1) VEHI Platinum, (2) VEHI Gold, (3) VEHI Gold-CDHP, and (4) VEHI Silver - CDHP.
1. District Contribution: The District shall pay an amount equal to 91% of the premium of the VEHI Gold CDHP Plan at the coverage level selected by the employee, not to exceed 100% of the premium if less. Effective 1/1/19, the District shall pay an amount equal to 89% of the premium of the VEHI Gold CDHP Plan at the coverage level selected by the employee, not to exceed 100% of the premium if less. The employee shall pay the remaining premium through automatic payroll deduction.
  2. If an employee selects the VEHI Gold CDHP health plan, the District shall offer the employee the opportunity to participate in a Health Reimbursement Account as outlined below.
    - a. Health Reimbursement Arrangement (HRA): If an employee selects the Gold CDHP Plan for health coverage, the employee may elect to participate in a Health Reimbursement Arrangement ("HRA"). The District shall offer an integrated HRA, including both Rx (prescription) and medical expenses to employees enrolled in the Gold CDHP Plan. The HRA shall cover all medical deductibles, co- insurance, copays, and Rx costs ("medical expenses") provided however, the employee shall pay the first dollar amount of medical expenses as defined herein up to the following amounts: single - \$150; two-person - \$300; parent/child(ren) - \$300; family \$300 of the medical out of pocket costs for the respective coverage. After this first dollar amount is met by the employee, the district and employee shall share the next out of pocket costs with the employee paying 10% of the first dollar covered out- of-pocket expenses (e.g., deductibles, co-insurance, co-pays), and the District shall pay 90% of the first dollar covered out-of-pocket expenses up to a maximum of \$2,100 for single coverage and \$4,200 for 2-Person/Parent-Child(ren)/Family coverage. The District shall select an HRA administrator and shall pay the monthly administrative costs. The HRA shall not include a rollover from one year to the next year, but shall provide for a 90 day run out for expenses from one year to the next year. Benefits

under the HRA shall be prorated during the plan year based on the employee's date of hire. The Board shall have the authority to determine all other administrative determinations regarding the HRA.

3. Default Plan: Employees who do not complete a new medical insurance enrollment form by 11/6/17 shall automatically be enrolled in the VEHI Gold - CDHP plan (at the same coverage level they hold as of 11/6/17) until the next open enrollment period, at which time the employee may elect to change plans/coverage.
- D. Section 125 Plan: Employee contributions toward the premium cost of health insurance shall be paid by automatic payroll deductions. The district will sponsor an IRS Section 125 Cafeteria Plan exclusively for this purpose. The Association agrees to accept coverage equivalent to the above Blue Cross Blue Shield coverage. Any change in carrier shall be made with the consent of the Association, which consent shall not be unreasonably withheld.
- E. Cash in Lieu of Insurance: Eligible full-time employees, electing not to participate in the health insurance benefit, upon demonstration of having alternative group-sponsored health insurance coverage (or other qualifying health coverage as defined in the Section 125 Plan) for themselves and their eligible dependents, may elect to receive \$2,400 in lieu of insurance (accrued at a rate of \$200/month of eligible coverage). Payment for accrued cash-in-lieu of insurance benefits shall be paid in two installments – one in December and one in June). Payment for accrued cash-in-lieu of insurance benefits shall be paid in two installments – one in December and one in June. The sum in lieu of insurance will be an annual option for eligible employees, who must make such election by a deadline date set forth by the Superintendent on a form available from the Superintendent. An employee so electing payment in lieu of insurance who then seeks to reverse their decision during the health plan benefit year may do so subject to the regulations of the carrier. New employees who are also eligible for insurance will also be offered this option (on a pro-rated basis if working a partial election year). This cash in lieu of insurance option is not available to employees who are enrolled as a dependent or spouse/civil union partner of another employee within the District. All other terms and conditions shall be as defined in the District's Section 125 plan document.
- F. Excise Tax: In the event the one or more of the health insurance plans offered by the District becomes subject to the excise tax under the Affordable Care Act (ACA) when combined with the contributions to the HRA plan, the employee shall be responsible for paying the amount of the excise tax which is 40% of the premium/contribution that exceeds the total cost threshold as defined under the ACA. This payment shall not be considered a contribution towards health insurance premiums, therefore is not covered under the IRS Section 125 Plan as outlined in paragraph D above.
- G. Re-opener: In the event that, during the life of this agreement, the District is no longer able to obtain insurance through VEHI and/or the District is required to obtain employee health insurance through the Vermont Health Connect Insurance Exchange, or there is a significant change in benefits due to health reform mandates at the state (Vermont) or federal level, the parties agree to reopen Article 11.5 of this agreement and negotiate a new employee health insurance program. In the event such health insurance negotiations between the District and the Association have not been concluded ninety (90) days prior to the termination date of existing coverage, the District is authorized to select and implement insurance coverage under an interim plan (including health insurance programs available through the Vermont Health Connect Insurance Exchange if available and/or required) until such time as the District and the Association conclude negotiations. Such interim insurance plan shall be reasonably comparable in cost and coverage (if available) to the VEHI Gold CDHP Plan as outlined in Article 11.5 and maintain the identical District premium contribution as specified in 11.5C herein. The District shall not be obligated to supplement coverage and/or levels of services in order to match coverage/levels of service under the current insurance plans.
- H. Part-time Employees: For part-time employees previously eligible for coverage and participating in the group medical coverage offered under the *Master Agreement Between the Essex Town School District and Essex Educators' Association Support Staff Unit* as of 6/30/17, the District will continue to offer coverage to said employee under their group medical insurance plans until the employee discontinues coverage or their hours or

reduced to under 20/week, or until negotiated otherwise, whichever comes first. The District shall contribute \$685/month (90% of the premium for single coverage under the VEHI Dual Option Plans) towards the cost of said plan through 12/31/17. Effective 1/1/18, the District shall contribute an amount equivalent to 89% of single coverage under the VEHI Gold CDHP Plan towards the cost of said plan, regardless of the coverage level selected. Effective 1/1/19, the District shall contribute an amount equivalent to 89% of single coverage under the VEHI Gold CDHP Plan towards the cost of said plan, regardless of the coverage level selected. If the employee selects the VEHI Gold CDHP Plan, the same HRA option shall be available to the employee as described in Article 11.5C2a above, up to single coverage. No other part-time employee shall be eligible to participate in the group medical insurance plan offered by the District.

11.6 Dental – The District has established a self-funded common dental plan (the "Plan") for employees and their dependents. The District shall contract with a third-party administrator to manage the Plan. The District shall pay 100% of the cost of dental coverage for each full-time employee enrolled in the Plan. The costs of the Plan shall be defined as claims and third-party administration costs. The following plan shall be in effect:

Coverage A	Preventative	100%
Coverage B	Basic	80%
Coverage C	Major	60%
Coverage D	Orthodontia	60%

Deductible amount: \$25 (\$75 family) per calendar year

Plan limits: \$1,000 per person annual limit on Coverage A, B, C (combined). \$1,000 per person lifetime limit on Coverage D.

Eligibility: The eligibility requirements of the dental plan shall be consistent with the medical insurance eligibility requirements. Coverage level shall be at the employee's discretion.

11.7 Life: The District agrees to provide and pay the cost of a group term life insurance policy for each eligible full-time employee in the amount of thirty thousand dollars (\$30,000).

11.8 Reimbursement: A school-year employee who does not notify the District of their resignation for the subsequent school year by June 1 shall be required to reimburse the district for medical, dental and life insurance premiums paid on their behalf for the months of July and August. The Superintendent retains the right to waive the reimbursement requirement at their discretion.

11.9 Flexible Spending Account: All employees shall be eligible to participate in a flexible spending account (FSA) benefit program for unreimbursed healthcare and child care expenses offered by the District through IRS Section 125 Regulation "Cafeteria Plan", as allowed by law. The maximum annual contribution to the FSA for unreimbursed healthcare expenses shall be \$800. The District shall select the Plan Administrator and pay the monthly administrative fee for participation in this program. All other terms and conditions shall be determined by the District unless expressly specified in this agreement.

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2. This Agreement shall remain in effect until a successor collective bargaining agreement for support staff is reached between the parties; and,
3. This Agreement is unique to this case, is non-precedent setting, and does not establish any practice or foundation for future negotiations between the parties; and,
4. The Association agrees not to grieve the existence of this Agreement, and the Association furthermore agrees not to use this Agreement as a basis for grievance on this topic.

As authorized representatives, these agents set their seals in agreement with the above:

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*For the EWEA*

*Date*

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*For the District*

*Date*