

**Memorandum of Understanding
Between
The San Diego Unified School District
And
The San Diego Education Association**

October 8, 2020

Retirement Healthcare Incentive

In order to ensure the continuity of learning for students, the San Diego Unified School District (“District”) and the San Diego Education Association (“SDEA”), collectively referred to as the “Parties,” have reached this Memorandum of Understanding (“MOU”).

WHEREAS, the Parties agree the COVID-19 Pandemic has created unique challenges across the city and our schools; and

WHEREAS, the continuity of instruction remains of utmost importance; and

WHEREAS, the Parties have agreed to a retirement incentive in order to limit the movement, or layoff, of teachers and staff despite declining enrollment; and

WHEREAS, the retirement incentive program meets employees along their journey toward healthy living in retirement and helps employees transition smoothly into retirement by enhancing their financial, physical, social and emotional wellbeing.

NOW THEREFORE, the Parties agree to the following:

1. Eligibility: The retirement incentive program is available to SDEA Unit members who meet the following criteria:
 - a. Are age 55 or more and have at least 15 years of service to the District as of December 31, 2020 and,
 - b. Notify the District of their intent to participate in the retirement incentive within the defined timeline outlined in this agreement; and,
 - c. Complete the necessary CalSTRS or CalPERS paperwork, including resignation form for purposes of retirement.
 - d. Are eligible to be covered under a District-sponsored group medical benefit plan as an employee immediately prior to the effective date of retirement with CalSTRS or CalPERS. Any employee who is currently benefits eligible, but waiving coverage is eligible for the incentive program.
2. HRA Contributions: Retirees who meet the requirements above will receive contributions to a Gallagher HealthInvest HRA (health reimbursement arrangement).
 - a. Non-Medicare retirees will receive \$15,000 annually (\$7,500 twice per year) for five years.
 - b. Medicare-eligible retirees (those who are at least age 65 at the time of retirement)

will receive \$5,000 annually (\$2,500 twice per year) for five years.

- i. For retirees who become Medicare eligible during the five-year period, the annual HRA contribution amount will be adjusted from \$15,000 to \$5,000 in the next calendar year.
 - c. Eligibility for this retirement incentive shall continue for five years from the date of retirement.
 - i. Five years shall be defined as through December 2025.
 - d. The HRA contributions will be applied semi-annually beginning January 1, 2021. For all retirees who remain with a district-operated plan, the HRA contributions are in addition to the retiree medical fund benefit amount that an employee may be eligible for as identified in the Parties' Collective Bargaining Agreement.
 - i. Section 9.8 of the Collective Bargaining Agreement has established a Retiree Medical Fund. The Parties acknowledge not all unit members eligible for this Retirement Healthcare Incentive are eligible to participate in the Retiree Medical Fund subsidy established under Section 9.8. Unit members with 15 or 16 years of service as of the effective date of their retirement are not eligible to receive the Retiree Medical Fund subsidy.
3. Notification of retirement must be received by the District no later than:
 - a. October 29, 2020, with an effective retirement date of December 31, 2020.
 - b. Individual unit members who have submitted their retirement notice on, or after, September 22, 2020, and who remain active employees may participate in the incentive if they meet the eligibility requirements and comply with the deadlines in Section 3.a and retire on December 31, 2020.
4. In consideration of potentially higher than anticipated utilization of the Joint Employee Health and Welfare Benefits Trust (Plan A) Retiree Medical Fund (hereinafter "Retiree Medical Fund") the District shall:
 - a. If after accounting for retirees exiting the Retiree Medical Fund, the net number of eligible retirees participating in the Fund increases from December 2020 to January 2021, the District shall make a one-time deposit into the Retiree Medical Fund of \$337,500.00 no later than March 31, 2021.
 - b. The Parties, through their trustees to the Retiree Medical Fund, shall monitor the fund's utilization.
5. Class Reorganization: Unit members who may be affected by an involuntary transfer due to fall staffing will be notified by October 30, 2020 per Section 12.7.5, allowing for the movement timeline outlined in Sections 8.17 and 8.18. Due to a decline in enrollment caused by circumstances beyond the District's control, staff will begin their first day with students at their new sites on November 6, 2020.
6. All components of the current Collective Bargaining Agreement between the SDEA and District not addressed by the terms of this Agreement shall remain in full effect.

