

**Tentative Agreement
Between San Diego Unified School District and
San Diego Education Association
2014 Successor Collective Negotiations Contract**

ARTICLE 9: HEALTH AND WELFARE BENEFITS

The San Diego School Education Association ("SDEA") and San Diego Unified School District ("District") have negotiated and reached a tentative agreement on certain terms for a successor Collective Negotiations Contract (CNC) on March 4, 2015. Negotiations between the parties continue.

In accordance with the signed Ground Rules, no tentative agreement shall be a final agreement except as a part of a total package agreement between the parties. Both parties agree that final approval of the tentative collective bargaining agreement is subject to ratification by SDEA membership and approval of the Board of Trustees.

Italicized language set forth below expresses the parties' intent, and will not be incorporated into the SDEA.

Section 9.0: BENEFITS DURING THE TERM OF THE SUCCESSOR AGREEMENT

9.0.1 For the term of the agreement the District shall continue to absorb the full cost of the benefit package.

9.0.2 The Parties acknowledge that during the term of the agreement, they may need to implement required changes necessitated by enumerated state and federal law or implementing regulations (such as the Affordable Care Act), but such negotiations shall not constitute a reopener by either party.

Section 9.1: ELIGIBILITY

9.1.1. Eligible unit members are those active monthly salaried unit members working one-half (1/2) time or more or those unit members on paid leaves receiving fifty percent (50%) or more of full salary. Unit members on district-approved unpaid leaves may continue their medical, dental, vision, and/or life insurance coverage by remitting the required fee to the District.

9.1.2. Exceptions:

9.1.2.1. The following conditions shall apply to all active monthly salaried unit members participating in the district job-sharing program:

- a. A unit member must pay for medical, dental, and/or vision coverage on a tenthly prorata basis, if coverage is desired.
- b. Life insurance benefits as described in Section 9.5. shall remain in effect for unit members participating in the job-sharing program.

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- c. Job-share employees may waive all of their percentage participation in each of three (3) (medical, dental, vision) programs and transfer such participation to their job share partner.
 - 1) Such arrangements must be included in the job-share agreement and may not be modified during the term of the agreement.
 - 2) Unit members who waive coverage under this provision will be eligible to enroll either on the first of the month following the first day of paid service in a non job-share assignment or on the first of the month following the start of a new job-share assignment.
- d. All other provisions of this Article shall remain in effect.

9.1.3. Eligible dependents are:

9.1.3.1. A unit member's legal spouse (including those individuals meeting the requirements of section 9.1.3.5) who has not entered a final decree of divorce or an annulment from the unit member and is not on active duty as a member of the armed forces or an unmarried unit member's same-sex domestic partner who is not on active duty as a member of the armed forces and is not legally married to another individual. It is understood that same-sex domestic partner coverage shall be subject to all eligibility rules and requirements established under this Agreement and that such rules and requirements shall extend to all plans and coverages provided in this Article whether contracted through San Diego County Schools Voluntary Employee Benefits Association (VEBA), self-funded by the District or directly contracted by the District. ~~(A unit member's domestic partner and the domestic partner's children [not registered with the State of California, as defined in this section] are not eligible for additional life and accident insurance coverage.)~~ At such time as legal marriage, recognized by the State of California, is available to same-sex domestic partners, the Parties agree to review and modify the eligibility rules and requirements as necessary to provide that only legally married domestic partners shall be eligible.

The Parties' intent is to recognize that eligibility shall be determined in accordance with state law. As such, the Parties agree that during the term of the Agreement, unless and until there is a clarification or change in the law, domestic partners will continue to be eligible for the same benefits afforded legally married spouses. The Parties agree that a current unit member's domestic partner will cease eligibility for benefits at the end of the plan year during which the State Legislature clarifies or eliminates requirements regarding offering benefits to domestic partners and legally married spouses.

9.1.3.2. To be eligible fFor medical benefits, a unit member's child (including any stepchild, child of the unit member's domestic partner, legally adopted child, or child for whom the unit member is named legal guardian by court order) ~~who has~~ must not have attained his/her twenty-sixth (26th)

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birthday is not on active duty as a member of the armed forces, and is not enrolled in another medical benefits plan.

- 9.1.3.3. ~~To be eligible for dental benefits, vision benefits, and optional dependent life insurance, a unit member's unmarried child (including any stepchild, child of the unit member's domestic partner, legally adopted child, or child for whom the unit member is named legal guardian by court order) who is at least nineteen (19) years of age but must be less than twenty-five-six (256) years of age (less than twenty three [23] years of age for optional dependent life insurance), is primarily dependent upon the unit member for support and maintenance, and attends an accredited college, university, or vocational/technical school as a full time student. The vocational school must be approved by the State Department of Education.~~
- 9.1.3.4. A unit member's unmarried child (including any stepchild, child of the unit member's domestic partner, legally adopted child, or child for whom the unit member is named legal guardian by court order) who is at least ~~nineteen (19)~~ twenty-six (26) years of age, is primarily dependent upon the unit member for support and maintenance, and is incapable of self-sustaining employment because of mental ~~retardation~~ or physical ~~handicap disability~~ and has been approved by the medical carrier as totally disabled prior to age ~~nineteen (19)~~ twenty-six (26) is eligible for medical, dental, and vision benefits.
- 9.1.3.5. For the purpose of this section, filing of a Declaration of Domestic Partnership with the Secretary of State of California is considered equivalent to legal marriage. Where a Declaration has been filed by an employee and their domestic partner and is considered to be in effect under state law, the term "legal spouse" shall be considered applicable, and supersede references to "domestic partner", except as it applies to federal COBRA eligibility. Current state law allows Declarations from same sex domestic partners. It also allows Declarations to be filed by opposite sex domestic partners where one or both are over sixty-two (62) years old and meet the eligibility requirements for old age benefits under the Social Security Act.
- 9.1.3.6. ~~Prior to the conclusion of the 2010-2011 fiscal year, a dependent eligibility audit of all unit members receiving benefits and who have one or more dependents shall be conducted by a third party contractor selected after a Request for Proposals (RFP) process, under the parameters/protections established by the Health and Welfare Benefits Committee.~~

9.1.4. Effective date and termination of coverage:

- 9.1.4.1. For unit members whose first day of paid service in a monthly salaried position occurs from the 1st of the month through the 15th of the month, coverage will commence on the first day of the month following the first day of paid service in a monthly salaried position. Unit members whose

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first day of paid service occurs after the 15th of the month will become eligible for benefits effective the first day of the second full month of employment.

9.1.4.2. Dependent coverage commences on the same date as the unit member's coverage or the date the dependent becomes an eligible dependent, whichever is later.

9.1.4.3. A unit member having established eligibility for district-paid benefits will have coverage for the balance of the month in which the last day in paid status occurs when separating from a bargaining unit position or initiating an unpaid, long-term leave of absence.

A temporary contract unit member having established eligibility for district paid benefits, will have coverage continue for the balance of the month in which the last day in paid status occurs.

9.1.4.4. Dependent coverage terminates on the date unit member coverage terminates or the date the dependent no longer qualifies as an eligible dependent, whichever occurs first.

9.1.4.5 For purposes of beginning or terminating coverage, unit members who are on a Family Care Leave, or are otherwise approved for district-paid coverage by Board resolution, are treated as if the unit member is in paid status.

9.1.5. If a unit member does not enroll for coverage for self and eligible dependents under a district-sponsored medical, dental, and/or vision plan or does not enroll a newly eligible dependent within thirty-one (31) days of becoming eligible or allows such coverage to terminate, the unit member will not have the opportunity to enroll for such coverage until the next open enrollment period in November of each year.

Section 9.2: MEDICAL BENEFITS PLANS

9.2.1. It is mutually agreed between the Parties that medical benefits will be offered solely through the San Diego County Schools Voluntary Employee Benefits Association (VEBA) throughout the life of this Agreement.

9.2.2. The District will provide three (3) medical benefit plan options under the VEBA program to eligible unit members and eligible dependents:

9.2.2.1. Kaiser Foundation Health Plan with a \$10.00 office copay and a \$10.00 co-pay prescription drug benefit. ~~(effective January 1, 2011) This will replace the Kaiser Foundation Health Plan in place as of July 1, 2007.~~

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9.2.2.2. ~~PacificCare Signature Value VEBA Performance HMO (effective January 1, 2011). This will replace the PacificCare HMO Value Network 5 plan in place as of January 1, 2007. United Healthcare HMO~~

9.2.2.3. ~~United Healthcare Choice Plus-PPO (effective January 1, 2011). This will replace the PacificCare POS Value Network 10 (Point of Service) (effective January 1, 2007).~~

9.2.3. The District shall pay the full cost of the VEBA medical plan option selected. In the event that the Parties mutually agree to select an alternative benefits program, the District shall pay the full cost of the agreed-upon medical plan options.

Section 9.3: DENTAL BENEFITS PLAN

9.3.1. The District will provide three (3) dental benefit plan options to eligible unit members and eligible dependents:

9.3.1.1. ~~Delta Dental PPO (effective January 1, 2008) replaces San Diego City Schools Dental Benefits Plan.~~

9.3.1.2. Western Dental Services.

9.3.1.3. ~~Delta Dental Deltacare USA (effective January 1, 2007).~~

9.3.2. The District shall pay the full cost of the dental plan option selected.

9.3.3. ~~The Delta Dental PPO plan option in effect as of January 1, 2008, shall remain in full force and effect for the duration of this Agreement unless otherwise agreed to by the Parties.~~

9.3.4. The Western Dental Services plan option in effect immediately prior to the effective date of this Agreement shall remain in full force and effect for the duration of this Agreement unless otherwise agreed to by the Parties.

9.3.5. ~~The Delta Dental Deltacare USA plan option in effect as of January 1, 2007, shall remain in full force and effect for the duration of this Agreement unless otherwise agreed to by the Parties.~~

9.3.6 Effective March 15, 2015, the Parties shall conduct a Request for Proposal (RFP) to interview and select a carrier to provide dental benefits for the 2016 medical year. Plan bids shall include Delta Dental PPO, Delta Dental Deltacare USA and Western Dental Services. The Association's proportionate share of any savings realized through the RFP selection process shall be utilized to improve dental benefits.

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Section 9.4: VISION INSURANCE

The Vision Service Plan in effect immediately prior to the effective date of this Agreement shall remain in full force and effect for the duration of this Agreement. It is mutually agreed between the Parties that vision benefits will be offered solely through the San Diego County Schools Voluntary Employee Benefits Association (VEBA) throughout the life of this Agreement.

Section 9.5: LIFE INSURANCE

- 9.5.1. The group term life insurance benefit in effect immediately prior to the effective date of this Agreement shall remain in full force and effect for the duration of this Agreement. This benefit shall be equal to annual salary or seven thousand five hundred dollars (\$7,500.00), whichever is greater. Annual salary shall be the monthly salary in effect on the last day of paid service times the number of months in the unit member's normal assignment year. The group term life insurance policy will be provided through the Hartford Life Insurance Company. ~~(effective January 2004).~~
- 9.5.2. Unit members may purchase, through payroll deduction, additional employee and dependent life insurance under conditions specified by the carrier and the District. The carrier for this coverage shall be the Hartford Life Insurance Company (effective March 1, 2004). The plan shall provide various levels of coverage which the unit member may choose to purchase, portability, and the payment of accelerated death benefits to terminally ill unit members/dependents.

Section 9.6: HEALTH AND WELFARE BENEFITS COMMITTEE

- 9.6.1. The Parties agree to the appointment of a ~~the~~ District-wide Health and Welfare Benefits Committee composed of two (2) representatives appointed by each employee organization/group involved. The Committee shall work to maintain a quality benefit package. The Committee shall establish its own meeting schedule.
- 9.6.2. The Committee will review district health and welfare benefit programs and have the opportunity to meet with plan providers and outside consultants to become informed on the plan provisions, financing, agreements with providers and other appropriate plan details.
- 9.6.3. The Committee may develop advisory recommendations from time to time regarding modifications to the health and welfare benefit programs. It is understood that such advisory recommendations will be made to the District and the involved employee organization/group. Recommendations by the Committee that are intended to be part of the November open enrollment shall be made no later than August 1 of the same year. The date can be extended to allow a minimum of thirty (30) calendar days from the date the Committee received all three (3) medical benefit premium amounts from the VEBA.

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- 9.6.4. The Committee shall review and make necessary recommendations regarding all contracts with carriers prior to adoption by the Board of Education.
- 9.6.5. During the term of this Agreement, the Committee agrees to research creative ways to reduce the cost of the benefits program and may recommend to the District and the Association that certain reductions be made to fund improvements elsewhere in the benefits package.
- 9.6.6. The Committee will seek and evaluate a rate quote for dental coverage through the VEBA trust as needed.

Section 9.7: GENERAL

- 9.7.1. When two district employees are spouses and are both eligible for a benefit plan based on their employment status with the District:
 - 9.7.1.1. Under the dental and vision plans provided under this Agreement, each spouse can cover the other as a dependent provided they are both members of the plan. Dependent children may be covered as dependents under both parents.
 - 9.7.1.2 Under the medical plans provided under this Agreement, each spouse can choose his or her own medical benefits plan. Dependent children may be covered as dependents under one parent or the other.
- 9.7.2. Medical, dental and/or vision records of unit members and their dependents relating to benefit claims shall be maintained only in the offices of the medical, dental, or vision providers/carriers or third party administrators contracted to provide claims processing.
- 9.7.3. A mutually agreed-upon claims processing company shall be selected to process claims under the self-funded dental plan of the District.
- 9.7.4. Unit members and unit members on leave of absence enrolled in the medical plans referred to in Section 9.2 or the dental plans referred to in Section 9.3 may elect to change plans only during the annual open enrollment period. Retirees, surviving dependents, and unit members on layoff enrolled in the medical plans referred to in Section 9.2 may elect to change plans only during the annual open enrollment period.
- 9.7.5. The benefits described in this Article are governed by the official plan documents associated with each benefit plan.
- 9.7.6. A spouse of a deceased unit member or a retiree (who was receiving a monthly benefit under the State Teachers' Retirement System or Public Employees' Retirement System at the time of his or her death)

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may continue participation in the medical plans referred to in Section 9.2. To qualify under this provision, all of the following requirements must be met:

- 9.7.6.1. The unit member or retiree must have been covering his/her qualified dependents under one of the medical plans referred to in Section 9.2 at the time of his/her death.
- 9.7.6.2. The spouse must notify the Employee Benefits Services-Department within thirty-one (31) days of the date when coverage would normally terminate that coverage should be continued.
- 9.7.6.3. Required contributions must be received by the Employee Benefits Services-Department at the time the request for the continuation of coverage is made. Coverage may be retained by the spouse until remarriage by paying the required contributions to the District with due dates determined by the District.
- 9.7.7. Unit members who are separated due to a reduction in force, may continue their group medical coverage for up to twelve (12) calendar months beyond the date coverage would have normally terminated by paying the required fee to the District. This paragraph shall be effective only if the maximum period of time required by federal law (COBRA) for continuation of medical coverage for laid-off employees is reduced to less than twelve (12) months.
- 9.7.8. In the event that a unit member's spouse waives medical coverage through another employer, in exchange for a cash payment, the unit member shall pay a \$100/month payment for ten (10) months, up to \$1,000 per year, for as long as the spouse continues to receive cash in lieu of benefits from his or her employer (effective January 1, 2011).
- ~~9.7.9. If unilateral changes to benefits are made by VEBA that result in savings to the District beyond those realized through the four (4) benefit changes made in Section 9.1.3.6, 9.2.2, 9.7.3, and 9.7.9, the amount of savings generated by the SDEA bargaining unit shall be paid to unit members in the form of a lump sum payment during the applicable contract year. The lump sum payment shall be determined by calculating the benefit expense savings attributable to the SDEA bargaining unit and converting that amount to an equal percentage increase to each cell of the salary schedules. That percentage amount will determine the lump sum payment for each unit member. Savings shall be determined after the open enrollment period is completed, and the lump sum payment for the year shall be paid on or before April 30 of the contract year. This Section, 9.7.10, shall sunset on June 30, 2013.~~
- ~~9.7.9.1 Savings equal the level of funding for the next year if no changes occur, minus the actual level of funding after the changes. Example: (2009-2010 \$100 million and 2010-2011 without changes \$108 million minus the actual \$100 million after changes = \$8 million in savings.) A more detailed example is found in Appendix P.~~

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Section 9.8: JOINT EMPLOYEE HEALTH AND WELFARE BENEFITS TRUST (PLAN A) RETIREE MEDICAL FUND

9.8.1. The Joint Employee Health and Welfare Benefits Trust (Plan A) Retiree Medical Fund in effect immediately prior to the effective date of this Agreement shall remain in full force and effect for the duration of this Agreement. Annually, by July 1, the District shall deposit to this fund an amount equal to the prior year's July 1 deposit (increased by the same percentage by which the Certificated Salary Schedule is increased in that fiscal year, as set forth in Section 7.1) less advance deposits, if any, as described in Section 9.8.7. This fund shall be used exclusively to reduce the contributions paid by eligible retirees participating in a district-sponsored Group Medical Plan by the amount established by Section 9.8.6. below and cover administrative expenses related to management of the fund as approved by the fund's Board of Trustees. (Note: The July 2014 deposit was \$1,646,818~~July 1, 2010 deposit was \$1,610,764~~, which amount will remain unaltered until it is increased by the same percentage by which the Certificated Salary Schedule is increased during the life of this Agreement.)

9.8.2. The Joint Employee Health and Welfare Benefits Trust (Plan A) Retiree Medical Fund in effect immediately prior to the effective date of this Agreement shall remain in full force and effect for the duration of this Agreement. Annually, on October 1, the District shall deposit to this fund an amount equal to the prior year's October 1 deposit (increased by the same percentage by which the Certificated Salary Schedule is increased in that fiscal year, as set forth in Section 7.1) less advance deposits, if any, as described in Section 9.8.7. This fund shall be used exclusively to reduce the contributions paid by eligible retirees participating in a district-sponsored Group Medical Plan by the amount established by Section 9.8.6. below and cover administrative expenses related to management of the fund as approved by the fund's Board of Trustees. (Note: The October 2014 deposit was \$838,904~~October 1, 2010 deposit is \$700,925~~, which amount will remain unaltered until it is increased by the same percentage by which the Certificated Salary Schedule is increased during the life of this Agreement.)

9.8.3. An additional annual August 1st deposit, as specified in Section 11.13.2.4., shall be made into the Joint Employee Health and Welfare Benefits Trust (Plan A) Retiree Medical Fund.

9.8.4. A retiree who meets all of the following conditions will be eligible for this benefit.

9.8.4.1. The employee had seventeen (17) years of service with the District (excluding unpaid leaves of absence) and is receiving a monthly retirement benefit from the Public Employees' Retirement System (PERS) or State Teachers' Retirement System (STRS).

9.8.4.2. The employee's retirement effective date with PERS or STRS is on or after July 1, 1985.

9.8.4.3. The employee is within the age of eligibility as of the retirement effective date with PERS or STRS, except that retirees age sixty-five (65) and over whose retirement effective date with

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PERS or STRS occurred after June 30, 1996, shall be required to enroll in/purchase both Parts A and B of Medicare in order to continue in this program. (Note: As of July 1, 2010, the age of eligibility is under age sixty-seven [67].)

- 9.8.4.4. The employee was covered under a district-sponsored group medical plan as an employee immediately prior to the retirement effective date under PERS or STRS and has maintained continuous coverage under such plan since the retirement effective date.
- 9.8.4.5. The employee has chosen to maintain coverage under a district-sponsored group medical plan as a retiree by signing the appropriate form indicating willingness to make the appropriate contribution to the District.
- 9.8.5. Eligibility for this benefit shall cease at the end of the month in which the retiree dies or at an age, no lower than sixty-seven (67), as determined by the fund's Board of Trustees, whichever occurs first. The retiree may continue coverage in the district-sponsored medical plan beyond the age of eligibility by contributing the full cost of coverage to the District. All other provisions of the group medical plans shall remain in effect.
- 9.8.6. Annually a new reduction shall be established by dividing the total amount of money in the fund by the expected number of eligible retirees divided by twelve (12). Beginning January 1, 2009, the amount shall be three hundred forty dollars (\$340.00) ~~two hundred sixty-five dollars (\$265.00)~~ monthly, unless otherwise agreed to by the Parties during the life of this Agreement.
- 9.8.7. If at any time the fund balance is not sufficient to provide for the monthly reduction established in Section 9.8.6., the District shall make advance deposit(s) as necessary to the fund to provide for the continuation of the established reduction through September 30 of the same year. If advance deposit(s) is (are) made, then on October 1 the District shall reduce the annual deposit by the amount of the advance deposit(s) made since the previous October 1.
- 9.8.8. Not less than once every three (3) years, the Trust shall commission an actuarial valuation of the fund to assess its fiscal soundness over a projected period of at least twenty (20) years into the future. The expense of the valuation shall be borne totally by the fund. A copy of the valuation study shall be provided to the Association and the District.
- 9.8.9. The District and the Association may independently review the provisions of the retiree medical benefits fund. Either Party may submit proposals recommending changes to procedures governing the fund to the Contract Administration Committee.
- 9.8.10. The Parties have established a Joint Employee Health and Welfare Benefits Trust (Plan A) Joint-Retiree Medical Fund Benefits Trust which is administered by a board composed of equal numbers of trustees appointed by the District and the Association. The Trust's sole purpose shall be providing health benefit premium credits to eligible, retired unit members. The Board of Trustees shall be responsible

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for investing and administering the assets of the trust, for ensuring that such assets are properly safeguarded and used, and for administering the trust in accordance with all applicable federal and state laws and all collectively bargained provisions relating to retiree benefits.

**Section 9.9 JOINT EMPLOYEE REDUCTION IN FORCE HEALTH BENEFITS PLAN
(PLAN B) TRUST**

9.9.1. Eligibility for Benefits under the Reduction in Force Health Benefits Plan (Plan B) Trust. A unit member who meets all of the following conditions will be eligible for District-paid healthcare benefits under the Plan for up to three months on a pro rata basis, or until they are recalled by the District into a position which is eligible for fully paid healthcare benefits from the District, whichever occurs first:

- a. The unit member is in laid off status in July and/or August and/or September of any year;
- b. The unit member was covered under a district-sponsored group healthcare plan as an employee immediately prior to layoff;
- c. The unit member is not entitled to healthcare benefits paid by the District; and
- d. The unit member has chosen to maintain coverage under a district-sponsored healthcare plan.

Eligibility for this benefit shall cease at the end of the third month or when the unit member is recalled and becomes eligible for full paid healthcare benefits from the District, whichever occurs first.

9.9.2. Revocability of Reduction in Force Health Benefits Plan (Plan B). The Reduction in Force Health Benefits Plan is revocable and can be terminated upon mutual agreement as noted in the SDUSD and SDEA Joint Employee Welfare Benefits Trust document. In the event of termination, any and all monies remaining in the Plan after payment of all expenses and satisfaction of all liabilities to existing beneficiaries, shall be used for the continuance of one or more benefits of the type permitted by Section 501(c)(9) of the Code.

Section 9.910: FLEXIBLE SPENDING ACCOUNTS

The District shall implement Health and Dependent Care Flexible Spending Accounts (FSA's) in accordance with Section 125 of the Internal Revenue Code. Unit members eligible to avail themselves of this program are those unit members in paid status in monthly salaried positions of one-half (1/2) time or more and those in job share assignments.

The FSA Plan year shall be the calendar year. An annual election period shall be held during the month of November thereafter. The elective period for newly eligible unit members shall be the thirty-one (31) day period following the date they first become eligible. During each election period, eligible unit members shall make a written election to decline or to participate in this Program. Unit members who do not elect to participate when first eligible will not have the opportunity to do so until the next annual election period.

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During an election period, unit members who wish to participate shall designate the portion of their calendar year salary which they wish to have redirected to a Health and/or Dependent Care FSA (up to a maximum per plan year of five thousand [\$5,000] per unit member for a Health Care FSA and a maximum of five thousand [\$5,000] per family for a Dependent Care FSA up to a maximum per plan year up to the limits allowable under the law). Such amount shall serve to reduce the unit member's salary on a pro rata basis each month except July and August.

An administrator mutually agreed upon by the parties ~~TRIAD Actuaries, Inc.~~ shall administer the FSAs. In accordance with IRS regulations, any money remaining in a unit member's FSA ninety (90) days after the close of the plan year shall be forfeited and shall be used by the District to offset the administrative costs of the Program. The Association reserves the right to review annually district records pertaining to any savings/expenses related to this Program.

FOR SDEA

FOR THE DISTRICT

Tim Hill
Tim Hill

Mark Bresee
Mark Bresee

Date: 3/3/15

Date: 3/4/2015

Ronald Reese
Ron Reese

Jennifer Carbuccia
Jennifer Carbuccia

Date: Mar. 4, 2015

Date: 3/4/2015

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