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JEA MEMORANDUM OF UNDERSTANDING

WHEREAS, the **Jacksonville Education Association, IEA-NEA**, hereinafter referred to as "JEA", and the **Board of Education of Jacksonville School District #117**, hereinafter referred to as "the Board", are parties to a Collective Bargaining Agreement, hereinafter "CBA", effective August 16, 2012 through August 16, 2014;

WHEREAS, Section 10.9A of the CBA provides that, "[t]he District will pay the full individual premium for a medical insurance plan";

WHEREAS, Section 10.9C of the CBA provides that, "[t]he Board and the [JEA] agree to maintain an Insurance Committee to review, as needed, the District's Insurance Provider. This committee shall have the authority to modify the insurance plan (if acceptable to the Insurance Provider) and/or provider pending approval by the [JEA] and the Board";

WHEREAS, the Insurance Committee has recommended that effective September 1, 2013, the insurance provider should be switched from the Egyptian Area Schools Employee Benefit Trust ("ET") to Blue Cross/Blue Shield ("BCBS");

WHEREAS, by switching to BCBS, the monthly individual premium currently paid by the Board (\$684.80) would be reduced to (a) \$647.25 for those individuals enrolled in the BCBS HMO plan; (b) \$562.41 for those individuals enrolled in the BCBS PPO plan; and (c) \$480.24 for those individuals enrolled in the BCBS HDP plan;

WHEREAS, by switching to BCBS, the monthly premium for family coverage, which is paid in full by the employee under the CBA, will change from the current ET premium of \$1,522.80 to (a) \$1,752.51 for those individuals enrolled in the BCBS HMO plan; and (b) \$1,300.32 for those individuals enrolled in the BCBS HDP plan; those

individuals enrolled in the BCBS PPO plan will pay \$1,522.80, which is the same amount currently paid under ET;

WHEREAS, the JEA and Board agree that switching from ET to BCBS is in the long-term best interests of the District and the employees;

WHEREAS, to help ameliorate the adverse financial impact of the increase in the PPO and HMO premiums for family coverage associated with the switch to BCBS, the Board agrees that for the first year of this Agreement (September 1, 2013 through August 31, 2014) it will pay the \$684.80 per month individual insurance premiums for those employees currently enrolled in the ET family coverage health plan as of June 30, 2013 and choose to be enrolled in either the HMO or PPO family health plans provided by BCBS; said payments resulting in \$122.39 (the difference between the ET and BCBS PPO monthly individual premiums) being applied to the monthly HMO or PPO family insurance coverage premiums of BCBS in the respective amounts of \$1,752.51 and \$1,522.80; and in subsequent years the Board shall pay a portion of the monthly HMO or PPO family insurance coverage premiums of BCBS as set forth in this Agreement; and

WHEREAS, the Parties hereto agree to memorialize the terms and conditions of their Agreement in this Memorandum of Understanding (MOU).

NOW, THEREFORE, the **Jacksonville Education Association, IEA/NEA** and the **Board of Education of Jacksonville School District #117** do hereby agree to this Memorandum of Understanding on the following terms and conditions:

Section 1. The above recitals are incorporated into this MOU as if they had been restated verbatim.

Section 2. The terms and conditions of this MOU shall be effective upon execution and approval of this MOU by both Parties and shall terminate on August 31, 2017, or pursuant to prior written agreement of the Parties, whichever occurs first.

Section 3. The Board shall switch Insurance Providers from the Egyptian Area Schools Employee Benefit Trust to Blue Cross/Blue Shield effective September 1, 2013.

Section 4. The terms and provisions of this Section 4 shall apply only to those thirty nine (39) individual employees enrolled in the ET family coverage health plan as of June 30, 2013 and choose to be enrolled in either the HMO or PPO family health plans provided by BCBS.

During the first year of this Agreement (September 1, 2013 through August 31, 2014), the Board shall continue to pay the \$684.80 per month individual insurance premiums; said payments resulting in \$122.39 (the difference between the ET and BCBS PPO monthly individual premiums) being applied to the monthly HMO or PPO family insurance coverage premiums of BCBS in the respective amounts of \$1,752.51 and \$1,522.80.

During the second year of this Agreement (September 1, 2014 through August 31, 2015), the District shall pay \$91.79 towards the monthly HMO or PPO family insurance coverage premiums; said sum represents 75% of the amount contributed during the first year, namely \$122.39.

During the third year of this Agreement (September 1, 2015 through August 31, 2016) the District shall pay \$61.20 towards the monthly HMO or PPO family insurance coverage premiums; said sum represents 50% of the amount contributed during the first year, namely \$122.39.

During the fourth year of this Agreement (September 1, 2016 through August 31, 2017), the District shall pay \$30.60 towards the monthly HMO or PPO family insurance coverage premiums; said sum represents 25% of the amount contributed during the first year, namely \$122.39.

Any increase in the HMO or PPO family insurance coverage premiums after the first year (September 1, 2013 through August 31, 2014) shall be the sole responsibility of the employee.

Section 5. The terms and provisions of this Section 5 shall apply only to the sixteen (16) married couples herein identified and the District's obligations as set forth in this Section 5 shall automatically terminate as to a married couple if their marriage is terminated by either a judgment of dissolution of marriage or the death of one of them. This Section 5 applies only to the following individuals:

TWO EMPLOYEES ENROLLED IN FAMILY INSURANCE	
POLICY HOLDER	DEPENDENT COVERED UNDER POLICY
*BARLOW, JEANNETTE	BARLOW, GARY
BARTHOLOMEW, GAIL L	BARTHOLOMEW, EDWARD
BROCKSCHMIDT, BETH A	*BROCKSCHMIDT, TRAVIS
CHELSEVIG, KRIS	*CHELSEVIG, JIM
*DEGROOT, JEREMY J	*DEGROOT, SAMANATHA
DRAUGHAN, KENNETH	DRAUGHAN, ANGELA
*DUGAN, JAMES R	DUGAN, JENNIFER
*ENGLISH, HEATHER R	*ENGLISH, IAN
EVANS, CHIP L	EVANS, KARLA
*GIBSON, WILLIAM C	*GIBSON, CATHY
*KELLER, DANIEL J	*KELLER, SHANNON
*LAWLESS, RAELENE	*LAWLESS, JOHN
O'NEIL, HOLLY M	*O'NEIL, JOSEPH
*STOWERS, TIMOTHY	*STOWERS, JENNA
*SWEATMAN, SANDRA	*SWEATMAN, TODD
*VANBEBBER, BRECK E	*VANBEBBER, ADRIENNE

*JEA

During the first year of this Agreement (September 1, 2013 through August 31, 2014), the District will continue to pay for employees married to other employees the amount of two individual premiums towards one individual person with family coverage under the BCBS HMO or PPO family coverage plans, resulting in \$244.78 being applied to the monthly HMO or PPO family insurance coverage premiums in the respective amounts of \$1,752.21 and \$1,522.80.

During the second year of this Agreement (September 1, 2014 through August 31, 2015), the District shall pay \$183.59 towards the monthly HMO or PPO family insurance coverage premiums; said sum represents 75% of the amount contributed during the first year, namely \$244.78.

During the third year of this Agreement (September 1, 2015 through August 31, 2016) the District shall pay \$122.39 towards the monthly HMO or PPO family insurance coverage premiums; said sum represents 50% of the amount contributed during the first year, namely \$244.78.

During the fourth year of this Agreement (September 1, 2016 through August 31, 2017), the District shall pay \$61.20 towards the monthly HMO or PPO family insurance coverage premiums; said sum represents 25% of the amount contributed during the first year, namely \$244.78.

Any increase in the HMO or PPO family insurance coverage premiums after the first year (September 1, 2013 through August 31, 2014) shall be the sole responsibility of the married couple.

Section 6. The terms and provisions of Section 6 shall only apply to the thirty nine (39) individual employees as identified in Section 4 and the sixteen (16) married couples identified in Section 5 that choose the high-deductible PPO plan. The district will pay the amounts listed in Section 4 for the thirty nine (39) individuals or Section 5 for the sixteen (16) married couples toward the high-deductible PPO plan premium; however, if the district payment is higher than the cost of the high-deductible PPO plan premium the excess will not be issued to the employee as payment. The excess will be a savings to the district.

Section 7. The Board and JEA agree that they are willing to discuss in the future issues related to health insurance (e.g. the possibility of phasing in family coverage over time) as part of the interest-based bargaining process.

Section 8. This MOU contains the complete understanding of JEA and the Board.

Section 9. This MOU may be modified only by written agreement of the parties.


Section 10. Each representative of the Parties executing this MOU on behalf of their principal represents and warrants that he/she has the authority to bind their respective Party to the terms and conditions of this MOU.

EXECUTED in duplicate originals on the dates stated below.

Jacksonville Educational
Association, IEA-NEA (JEA)

Jacksonville School District #117,
Board of Education

By: 
JEA Authorized Representative

By: 
Supt. Steven A. Ptacek

Date: 9-9-13

Date: 9/9/13