

AGREEMENT BETWEEN
MERCER-BURLINGTON COUNTIES & VICINITY
BUILDING AND CONSTRUCTION TRADES COUNCIL
AND
HAMILTON TOWNSHIP BOARD OF EDUCATION,
MERCER COUNTY

EFFECTIVE DATE

July 1, 2012 through June 30, 2017

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SECTION 125 ADDENDUM 14

ARTICLE 1
Recognition

1:1 The Hamilton Township Board of Education (hereinafter “Board”) recognizes the Mercer-Burlington Counties & Vicinity Building and Construction Trades Council (“Building Trades Council”) as the majority representative and exclusive bargaining agent for the following titles only: Carpenters, Painters, Plumbers, Electricians and Masons) excluding all other employees (hereinafter “employees” or “bargaining unit members”).

ARTICLE 2
Pay Scale

2:1 The following hourly rate schedule shall be adopted for all employees employed by the Board prior to July 1, 1996:

| | <u>2012-2013</u> | <u>2013-2014</u> | <u>2014-2015</u> | <u>2015-2016</u> | <u>2016-2017</u> |
|-------------|------------------|------------------|------------------|------------------|------------------|
| Carpenter | \$37.56 | \$38.13 | \$38.87 | \$39.63 | \$40.40 |
| Painter | \$32.06 | \$32.54 | \$33.17 | \$33.82 | \$34.48 |
| Plumber | \$42.08 | \$42.71 | \$43.54 | \$44.39 | \$45.26 |
| Electrician | \$42.93 | \$43.57 | \$44.42 | \$45.29 | \$46.17 |
| Masons | \$37.52 | \$38.09 | \$38.83 | \$39.59 | \$40.36 |

2:2 The following hourly rate schedule shall be adopted for all employees employed by the Board after July 1, 1996 and before June 30, 2011:

| | <u>2012-2013</u> | <u>2013-2014</u> | <u>2014-2015</u> | <u>2015-2016</u> | <u>2016-2017</u> |
|-------------|------------------|------------------|------------------|------------------|------------------|
| Carpenter | \$37.00 | \$37.55 | \$38.28 | \$39.03 | \$39.79 |
| Painter | \$31.46 | \$31.93 | \$32.55 | \$33.19 | \$33.83 |
| Plumber | \$41.69 | \$42.32 | \$43.15 | \$43.99 | \$44.84 |
| Electrician | \$41.86 | \$42.48 | \$43.31 | \$44.16 | \$45.02 |
| Masons | \$36.50 | \$37.05 | \$37.77 | \$38.51 | \$39.26 |

2:3 The following hourly rate schedule shall be adopted for all employees employed by the Board after July 1, 2011:

| | <u>2012-2013</u> | <u>2013-2014</u> | <u>2014-2015</u> | <u>2015-2016</u> | <u>2016-2017</u> |
|-------------|------------------|------------------|------------------|------------------|------------------|
| Carpenter | \$27.24 | \$27.64 | \$28.18 | \$28.73 | \$29.29 |
| Painter | \$23.17 | \$23.51 | \$23.97 | \$24.44 | \$24.92 |
| Plumber | \$30.70 | \$31.16 | \$31.77 | \$32.39 | \$33.02 |
| Electrician | \$30.82 | \$31.28 | \$31.89 | \$32.51 | \$33.15 |
| Masons | \$26.87 | \$27.27 | \$27.81 | \$28.35 | \$28.90 |

2:4 There shall be one employee selected by the Board as a working Lead Person for each craft that employs four or more employees. The Lead Person shall receive an additional \$2.00 per hour as the employee's regular salary. The Board will only compensate the employee actually serving as the Lead Person on a daily basis. Only employees actually working and serving in this capacity will receive the Lead Person stipend. If the Lead Person is not able to perform his/her duties, then the Director of Facilities will assign a Lead person to take charge.

2:5 Union dues - Painters will pay 1% of gross wages per hour for union dues to be deducted from the employees' salary. These dues must be received by the Union by the 10th of the following month.

The Painters District Council #711 agrees to save the Board harmless from any claims raised against it as a result of its obligations arising under the provisions of this Article.

2:6 If an employee is directed to be "On Call" for emergent and/or routine work, the employee will receive as compensation one hour of comp time per shift during the work week of Monday until Friday, and three hours of comp time if assigned during the weekend. Comp time must be used within 30 days. Any extension for use of comp time beyond this 30 day period must be approved by the Director of Facilities." Nothing in this provision shall supersede and/or replace the requirements of Article 7 of this Agreement.

ARTICLE 3 **Medical Benefits**

3:1 Medical/Prescription Benefits

The Board will provide health care and prescription coverage at the coverage level of benefits that existed as of July 1, 2013. In the event of any change in the medical provider, comparable health care and prescription coverage will be provided to the employees who receive benefits.

3:1.1 Effective July 1, 2014, new hires will receive, at Board expense, single only medical insurance and single only prescription coverage for the first six (6) consecutive months of employment, subject to Chapter 78 premium contributions by the employee. During this same six month period, new hires shall be permitted to purchase dependent medical and prescription coverage at their own cost. Upon completion of six (6) consecutive months of employment, an employee will be eligible for all levels of health care and prescription coverage. The Board shall pay for the applicable level of coverage that the employee qualifies for subject to Chapter 78 premium contributions by the employee. The Board shall give written notification at the time of hiring all employees new to the School District regarding the responsibility for dependent insurance and prescription coverage during the six (6) month period rests with the employee.

3:1.2 Effective July 1, 2014, if any employee waives health insurance, said employee shall receive a cash payment of One Thousand Two Hundred Fifty Dollars (\$1,250.00) for July 1 through June 30 of each year or prorated for any part thereof. If any employee waives prescription insurance, said employee shall receive a cash payment of Two Hundred Fifty Dollars (\$250.00) for July 1 through June 30 of each year or prorated for any part thereof. Employees that choose the cash option must re-apply each year. Proof of other coverage must be submitted with each request for the cash option. In addition, the Board shall put in place a Section 125 Plan (details included in the Section 125 Addendum). All waivers are subject to the provision of this Addendum.

3:2 Dental Plan

The Board shall pay the premium or 100% of the employees and dependents cost for a dental program in accordance with the provisions of the district policy. 100% R&D, 60-40 Remaining Basic, 50-50 Prosthodontics, 50-50 Orthodontics as per Board group plan.

NOTE: Dependents are defined to be the employees' spouse and unmarried children. Dependent children are eligible for coverage from birth until age 19 or, if the covered child is enrolled fulltime at an accredited school, college or university, coverage may be extended to the child's 23rd birthday unless otherwise indicated under Benefits and Program Specifications. An unmarried dependent child over the limiting age may continue to be covered if incapable of self- support because of a physical or mental handicap commencing prior to reaching the limiting age, provided a physician's certificate is submitted to NJDSP.

3:2.1 Employees hired after July 1, 1991 shall not be eligible for the dental coverage plan until the completion of the third year of employment.

3:3 The Board shall provide for continuances of health-care insurance after retirement on the terms detailed in the master policies and contracts agreed upon by the Board and the Mercer County & Vicinity Building Trades Council. The retirees shall be responsible for all premium costs involved.

3:4 All new employees and other employees requesting same shall be given a description of the health-care insurance coverage provided under this Article contingent upon the availability of such documents from the carrier.

3:5 The Board agrees to provide at no cost to the employee, chest x-rays required of the employee to maintain his/her employment, provided such said employee avails himself/herself of the program provided by the Board.

ARTICLE 4
Sick Leave

- 4:1 All employees employed as of July 1 of the school years (July 1 to June 30) and who report for duty shall be entitled to twelve (12) sick days as of July 1. Employees who are hired during the school year or who are on an unpaid leave of absence at the start of the school year shall accrue sick leave on a prorated basis for that school year based on one sick leave day for each month of actual employment. Unused sick leave days shall be accumulated from year to year with no maximum limit.
- 4:2 Sick leave verification shall be consistent with applicable Board Policy.
- 4:3 Any employee retiring on or after July 1, 1991 with 20 or more years of service in the Hamilton Township School District, upon retirement in accordance with the PERS regulations shall receive sixty (\$60) per day for one (1) out of every three (3) unused accumulated sick days that were earned in Hamilton Township with the following caps:

1 through 199 sick days - a maximum of \$3,540
200+ sick days - a maximum of \$4,000

Requests for payments from retiring employees must be made on the proper form by November 1 of their last year of employment in order to insure entitlement.

ARTICLE 5
Vacations

- 5:1 All employees employed prior to July 1, 1996 shall receive the following vacation benefits for years of service completed as of June 30 of the previous school year:

| | |
|----------------------|---|
| Less than 1 year | 1 working day per month, up to 10 working days |
| 1 year to 7 years | 10 working days |
| 8 years to 15 years | 15 working days |
| 16 years to 20 years | 20 working days |
| 21 years and over | 25 working days |

All employees employed after July 1, 1996 shall receive the following vacation benefits for years of service completed as of June 30 of the previous school year:

| | |
|------------------|--|
| Less than 1 year | 1 working day for every 2 months with a maximum of 5 working days |
| 1 to 5 years | 5 working days |
| 6 to 10 years | 10 working days |
| 11 to 15 years | 15 working days |
| 16 to 20 years | 20 working days |
| 21+ years | 25 days |

- 5:1.2 Vacation by any employee may be limited to a maximum of five continuous days between the period from the last day of classes in June to one week before the opening of school each year. Employees may request approval to take vacation during the last week of school in June or the last week in August, except for emergency reasons, which shall be supported with documentation that is satisfactory to the Director of Facilities. All vacation requests shall be submitted for approval to the Director of Facilities by using the proper vacation form, at least 2 weeks in advance of the day(s) requested for vacation. Each Lead Person shall also initial the vacation form prior to final approval by the Director of Facilities. All vacation time shall be called into the Subfinder system by the employee when the vacation time is approved by the Director of Facilities.
- 5:2 Effective July 1, 2014, upon application to and written approval by the Superintendent, up to 10 unused vacation days may be carried over to the subsequent school year.

ARTICLE 6

Holidays

- 6:1 Holidays - as per list submitted by the Board, not to be less than thirteen (13) days, one of which shall be a floating holiday.

ARTICLE 7

Overtime - Call-In Time, Work Week

- 7:1 The work week shall consist of five consecutive days from Monday until Friday. The workday shall be eight (8) hours a day from 7:30 am to 4:00 pm, with one-half hour unpaid lunch. All employees shall sign in at 7:30 am and report to their respective areas for assignment and be ready for deployment by no later than 7:45 am. There shall be one fifteen minute break from employment during the first four hours of employment and one during the second four hours of employment. Breaks may not be taken consecutively nor contiguously with lunch during any day. The total break and lunch time includes traveling to purchase food and drinks and shall not exceed fifteen minutes for breaks and thirty minutes for lunch. Lunches and breaks shall be taken at the work site where the scheduled daily work is being performed and employees shall be permitted to use the building facilities at the work site upon notice to the building principal or his/her designee. Staff is not to return to the Facilities Office for lunches or breaks unless deployed at Klockner or Greenwood Elementary Schools or Nottingham High School or except for exceptional reasons such as using equipment on site, picking up materials, drawings etc. Employees may not eat or drink in any shop area in the Facilities Office. The conference/lunch room is designated as the only room for lunches.

Summer Hours

Summer working hours will take effect the day after the last teacher day and end on the day before the first teacher day and shall consist of one shift from 7:00 a.m. to 3:30 p.m.

7:1.1 In the event the Board determines the need for a second shift, the start and end times of the second shift shall be determined by the Board. A second shift shall be for a one week minimum duration. At least two employees will be assigned to a second shift. A one half hour unpaid dinner shall be scheduled during the second shift. Assignment of bargaining unit members to the second shift shall initially be done on a volunteer basis. If no bargaining unit member volunteers, then the assignments shall be based on a rotation list. The rotation list shall be maintained from year to year by the Director of Facilities. The least senior bargaining unit member shall be assigned first, with subsequent assignments similarly based on the least seniority.

Each bargaining unit member working the second shift shall receive, as additional compensation, a shift differential of 10% of their respective daily rate. Bargaining unit members shall receive ten days notice before their assignment to a second shift begins. No bargaining unit member shall be required to work more than five consecutive days on a second shift when second shifts run contiguously for two months.

7:2 All employees shall be entitled to one and a half times the hourly rate for all work in excess of forty hours.

7:3 All employees required to work on listed holidays or Sundays shall be paid at the applicable double time rate.

7:4 Holidays and sick time will be counted as a day worked.

7:5 Any employee called into work for any period of time other than his/her regularly scheduled work day after he/she has left his/her place of employment shall be given not less than three hours work at one and a half times his/her regular rate.

7:6 After an employee has exhausted his/her accumulated full pay sick days, full pay personal days, and any additional granted pay days he/she will then be charged with accrued vacation days for all subsequent absences before being placed in a no pay "Y" absence status.

7:7 In emergency situations as determined by the Superintendent or his/her designee, employees will be deployed regardless of trade as needed. Examples of emergencies are extreme weather conditions such as snow and flooding, roof damage, wind, fire, severe damage to buildings, vandalism or other major mechanical failure.

ARTICLE 8

Appointment Notice

8:1 Appointment notices for all employees shall be issued on or before June 30 for the following school year.

ARTICLE 9
Grievance Procedures

9:1 Definitions

A grievance is a claim based upon the interpretation, application or violation of the specific sections of this Agreement.

9:1.2 The aggrieved is the person or persons making the claim.

9:2 Purpose

9:2.1 The purpose of this procedure is to secure equitable solutions to grievances at the lowest possible administrative level.

9:3 Procedure

9:3.1 Grievances should be processed as rapidly as possible; therefore, the number of days indicated at each administrative level should be considered as a maximum and every effort should be made to expedite the process. The time limits may, however, be extended by mutual agreement.

9:3.2 Level One

An employee with a grievance shall first discuss it with his/her immediate supervisor within five (5) calendar days of its occurrence either directly or through a chosen representative, with the objective of resolving the matter informally.

9:3.3 Level Two

If the matter is not resolved at Level One to the satisfaction of the aggrieved employee, he/she shall set forth his/her problem in writing to his/her immediate Supervisor, within ten (10) calendar days of the occurrence. The immediate Supervisor shall communicate his/her decision to the aggrieved employee in writing within five (5) calendar days of the receipt of the grievance.

If the aggrieved person is not satisfied with the disposition of his/her grievance by the immediate Supervisor, or if no disposition has been rendered within five (5) calendar days after presentation of the written grievance, he/she may appeal the grievance in writing within five (5) calendar days of receipt of the decision at the prior level to the Director of Facilities, who shall render a decision in writing within five (5) calendar days.

9:3.4 Level Three

If the aggrieved person is not satisfied with the disposition of his/her grievance at Level Two, or if no disposition has been rendered within five (5) calendar days after

presentation of the written grievance, he/she may appeal the grievance in writing within five (5) calendar days of receipt of the decision at the prior level to the Superintendent or his/her designee who shall render a decision in writing within five (5) calendar days.

9:3.5 Level Four

If the grievance cannot be resolved at Level Three, it shall be presented to the Board in writing within five (5) calendar days of receipt of the decision at the prior level. The Board will then attempt to resolve the grievance, within a period not to exceed thirty (30) calendar days. The Board will communicate its decision in writing to the employee and his/her immediate supervisor within thirty (30) calendar days.

9:3.6 Level Five

If the aggrieved person is not satisfied with the disposition of his/her complaint by the Board at Level Four, he/she may within five (5) calendar days submit his/her grievance in writing to advisory arbitration through PERC or take other legal means. He/she shall have the right to present his/her own appeal or to designate another person of his/her choosing to appear with him/her or for him/her.

ARTICLE 10
Management Functions

10:1 Subject to the provisions of this Agreement, the Board reserves all rights and functions vested in it pursuant to applicable laws and regulations and such other functions as normally and customarily exercised by the Board in the management of the affairs of the school district.

10:2 In addition to the rights described above, the Board specifically reserves, subject to the provisions of this Agreement, the following additional rights:

10:2.1 The right to direct employees of the school district.

10:2.2 To promote, transfer, assign, and retain employees in positions in the school district, and to suspend, demote, discharge or take other disciplinary action against employees.

10:2.3 To relieve employees from duty because of lack of work or for other legitimate reasons.

10:2.4 To maintain efficiency of the school district's operations entrusted to it.

10:2.5 To determine the methods, means and personnel by which such operations are to be conducted.

*10:2.6 In the interest of preserving bargaining unit work and to assure a harmonious working relationship, the Board agrees in non-emergent circumstances not to subcontract out during the term of this Agreement any routine preventive

maintenance or repair work normally performed by members of the bargaining unit. The Board may subcontract out the replacement of entire system components or any work that will not affect the current workload of work orders provided that the subcontractor complies with the Board Resolution dated September 24, 2003, regarding responsive contractor language; and when emergencies arise.

- *10:2.7 When emergencies arise the following provisions shall prevail:
 - *10:2.7-1 There shall be no reduction in "normal" bargaining unit work.
 - *10:2.7-2 Wherever possible the Board of Education shall give first consideration to utilize temporary employees through the hiring hall and temporary employee provisions of this Agreement.
 - *10:2.7-3 If the nature of the emergency, in the Board's discretion, requires a contractor the Board shall solicit bids from a list of union contractors provided by the Mercer County Building Trades in addition to the statutory required publication of the bid.
 - *10:2.7-4 Nothing in this article shall limit the statutory right of the Board to competitively bid emergency work in accordance with the provisions of State law.

**The parties recognized that the above provisions are subject to a Scope Petition filed with the Public Employment Relations Commission, Docket No. SN-2014-089. The parties agree to reserve all respect rights regarding enforcement of these provisions pending the resolution of the Scope Petition and any appeals.*

- 10:3 The Board, in its sole discretion, may employ the services of volunteers, whether students or otherwise. The Board shall not use volunteers to remove or reduce the existing workload of any employees who are members of this bargaining unit. Volunteers are individuals, entities, or organizations who receive no wages from the Board.
- 10:4 Employees assigned to Board vehicles are responsible to report any unsafe condition immediately to the Director of Facilities. All employees shall possess a valid driver's license to operate motor vehicles in New Jersey. Employees are responsible for reporting any suspension or revocation of their driving privileges immediately to the Director of Facilities. Should an employee not have a driver's license for any reason including, but not limited to, suspension or revocation, the employee may, in the sole discretion of the Board, be subject to discipline, including but not limited to immediate suspension without pay until his/her license is reinstated. Knowingly driving a Board vehicle with a suspended or revoked license may result in immediate termination.

All assigned drivers shall ensure that the current registration and insurance data is kept in the vehicle at all times. If they are missing, it must be reported immediately. Employees will drive in a safe manner and take appropriate steps to ensure the safety of Board staff, students and the public. Employees are personally responsible for payment of any tickets

for parking or moving violations while using Board vehicles. All vehicle accidents known to the employee operating the vehicle shall be reported immediately to the Director of Facilities by the employee operating the vehicle.

- 10:5 In case of reduction of force (RIF), the last hired in each craft would be the first to be let go. (Seniority per craft.) If the Board was to rehire the employee he/she would be placed back in the salary tier in which he/she served, with no credit for the time that he/she was not employed.

ARTICLE 11

Safety

- 11:1 At no time shall less than two (2) employees work in tunnels, shafts, lofts or other places deemed dangerous by the Director of Facilities or his/her designee. Employees will adhere to the guidelines and regulation training procedures established by the Board, PEOSHA and the State of New Jersey pertaining to any space that is considered a confined space. If special field conditions are encountered that are not within established guidelines, they are to be reported to the Director of Facilities. The Board will provide safety training to all employees that assist employees in confined spaces.
- 11:2 Uniforms and identification protocols for bargaining unit members shall be governed by the Board consistent with state law.

ARTICLE 12

Temporary Leaves of Absence

12:1 **Personal Leave:**

- 12:1.1 (a) Employees hired before July 1, 1991 shall be entitled to three (3) personal leave days with full pay each school year.

(b) Employees hired after July 1, 1991 shall earn personal days at the rate of one (1) per each full year of employment until completion of the third year when the maximum of three (3) shall be earned.

- 12:1.2 Any employees appointed for a shorter term shall be entitled to prorated leave.

- 12:1.3 Any personal days not utilized during any school year shall accumulate to the employee's unused sick leave.

12:2 **Death In Immediate Family:**

- 12:2.1 Death includes immediate in-laws. Immediate family shall be interpreted to mean father, mother, husband, wife, brother, sister, child, and those related by blood or marriage permanently residing within the household of the employee. Payroll provisions: five (5) consecutive week days, full pay in any school year.

12:2.2 Death of Grandparents: three (3) consecutive weekdays in any school year, full pay.

12:3 Absences Not Covered:

Any emergency or other urgent reason beyond the provisions listed of the above temporary leaves of absence would necessitate the approval of the Superintendent of Schools and the Board before additional days could be granted. (A court summons, necessitating an employee to be in a court through no fault of his/her own, would be an example of an extra day beyond the three (3) which may be approved for full pay or full pay less the cost of a substitute.

12:4 Family Illness: Each employee shall be permitted to take one (1) day per year at full pay to attend to a member of the immediate family who is ill. Any family illness day not utilized during any year shall not accumulate to the next year.

ARTICLE 13

Longevity

13:1 All employees employed by the Board prior to July 1, 1996 who have completed the listed number of working years by June 30 of the preceding year in Hamilton Township shall receive the additional cumulative amounts per year as listed below:

| | |
|---------------|-------|
| 10 - 13 years | \$200 |
| 14 - 15 years | \$200 |
| 16 years | \$200 |
| 17 years | \$200 |
| 18 years | \$500 |
| 19 years | \$500 |
| 20 - 24 years | \$200 |
| 25 - 29 years | \$200 |
| 30 years | \$200 |

13:2 Employees hired on or after July 1, 1996 will not receive any longevity.

ARTICLE 14

Deduction from Salary

14:1 An employee may elect to have five percent (5%), ten percent (10%), fifteen percent (15%), or twenty percent (20%) of his/her salary deducted from his/her check for deposit in the Mercer County Teachers Credit Union. Said percentage of deduction shall remain in effect for the entire fiscal year.

14:2 The Building Trades Council shall indemnify and save the Board harmless for any losses which may arise from the deductions and deposits as per 14:1 above which do not arise from the Board's own negligence.

- 14:3 An employee may individually elect to have an amount of his/her salary deducted from his/her pay to be deposited into one of the mutually agreed upon tax-sheltered annuity plans.
- 14:4 The Board agrees to deduct from the salaries of employees the appropriate authorized amount for eligible dependent coverage requested for all health, dental, prescription and disability insurance.
- 14:5 The salaries of all employees covered by this Agreement shall be paid in twenty-four (24) equal installments at the rate of two installments per month on the 15th and 30th or last day of each month. If either the 15th or 30th or last day of the month fall on a weekend, holiday, or other day when school is closed, then payment shall be made on the work day immediately prior to that day.
- 14:6 Bargaining unit members shall be subject to premium contributions pursuant to P. L. 2011, Chapter 78.

ARTICLE 15
Tool Requirement and Security

- 15:1 All journeymen and apprentices shall be required to furnish tools as specified in the approved list dated April 25, 2014 and filed with the Director of Facilities.
- 15:2 The Board shall be held responsible for the loss of worker's tools through fire, or theft, by breaking and entering not due to employees' negligence in any amount that the employer's current insurance will cover such losses as per listed items up to \$500 per employee. Employees shall immediately report the loss of tools through fire or theft to the employer. The Board shall designate a toolbox with a lock or other secured space to insure the safekeeping of all tools.

ARTICLE 16
Term of Contract

- 16:1 This Agreement shall be effective from July 1, 2012 to June 30, 2017 subject to the Building Trades Council's right to negotiate a successor Agreement for all employees in the unit, with negotiations commencing in accordance with the rules and regulations of the Public Employment Relations Commission.

In witness whereof the parties hereto have caused this Agreement to be signed by their respective delegates, on the day and year written below.

MERCER-BURLINGTON COUNTIES & VICINITY
BUILDING AND CONSTRUCTION TRADES COUNCIL

Carpenters

Michael K. Maloney, Plumbers

Wayne P. DeAngelo, Electricians

Dominic Longo, Masons

Harry Harchetts, Painters

HAMILTON TOWNSHIP BOARD OF EDUCATION

Albert Gayzik, President

Katherine Attwood, School Business/
Administrator/Board Secretary

SECTION 125 ADDENDUM

1. In-Writing Requirement

Section 125 Plan must have a separate written plan document (an internal document that the employer maintains). This plan shall be available to employees.

The following information must be included:

- a.) Specific description of the benefits available. (as per Articles 3:1 and 3:3)
- b.) The procedures governing participants' elections under the law. This election shall allow employees to choose between non-taxable health care coverage and taxable cash at the beginning of each plan year (July 1). This option will be limited only to payments made by the Board on behalf of its employees for health and prescription benefits.
- c.) Procedures whereby employees will continue current coverage unless they specifically request the cash option in writing with submission of proof of other coverage, prior to the beginning of each plan year. July 1 for a full year- (July 1 - June 30).
- d.) Procedures by which coverage, without consideration of pre-existing conditions, will be restored within 30 days of the restoration request. Coverage will be restored only upon proof of loss of coverage. It is the employees responsibility to notify the Board in writing if benefits are lost for any reason.
- e.) Procedures for the payment of the \$1,000.00 and the \$250.00 cash options. Reimbursements will be provided at the end of the fiscal year in June and will be prorated if benefits were reinstated at any time during the fiscal year.

2. Disclosure to Employees

- a.) The elements of the Section 125 written plan document must be disclosed to employees. Disclosure may be in a booklet, or other suitable form, distributed to employees referred to as a summary plan description (SPD). In addition, elements may be subject to the reporting and disclosure requirements of ERISA.
- b.) Under ERISA (and as a matter of common sense) information provided to participants should be "written in a manner calculated to be understood by the average plan participant.."

- c.) Description of benefits and procedures as outlined above to be followed requesting revocation of the cash option choice in the event of loss of coverage.

3. Administrative Information

This information should include data such as:

- a.) Name of the plan
- b.) Name and address of employer or a representative
- c.) Employer Identification Number
- d.) Type of plan
- e.) Start and end of the plan year
- f.) Type of administration

4. Eligibility and Benefits Information

The following are the minimum requirements for eligibility and benefits information:

- a.) A description of benefits available under the plan
- b.) Requirements for participation and benefits

5. Loss of Benefits Information

- a.) Employees must choose the cash option prior to each plan year. July 1 for a full year (July 1 - June 30)
- b.) Proof of other coverage must be submitted with each request for the cash option. Proof of loss of coverage must be provided before benefits can be restored prior to an open enrollment period.

6. Reporting Requirements

Reporting requirements for Section 125 plans are satisfied by completing the applicable IRS form.