

**MEMORANDUM OF UNDERSTANDIGN REGARDING ANNUALIZED PAYMENT  
OPTION FOR GRANDFATHERED ESP EMPLOYEES**

This Agreement, made and entered this \_\_\_\_ day of \_\_\_\_\_, 2023, by and between the Pana District No. 8 Educational Service Personnel IEA-NEA (“Association”) and the Board of Education of Pana Community Unit School District No. 8 (“District” or “Board”);

**W I T N E S S E T H :**

**WHEREAS**, The Association and the Board are parties to a Collective Bargaining Agreement (“CBA”) covering school years 2021-2022, 2022-2023, and 2023-2024; and

**WHEREAS**, certain Association employees hired before July 1, 2018, pursuant to the CBA have the option of selecting an annualized payment option; and

**WHEREAS**, the Illinois Municipal Retirement Fund (“IMRF”), the pension system for Association employees, is transitioning to a different system for reporting wages; and

**WHEREAS**, the parties agree that it is mutually beneficial to modify the annualized payment option available to certain employees under the CBA to match IMRF reporting requirements; and

**WHEREAS**, the parties additionally agree that modifications within Articles 4 and 14 should occur for the parties to be able to more easily read and understand the CBA; and

**WHEREAS**, the parties have reached mutually acceptable terms to modify CBA language to reflect the agreed upon terms and wish to memorialize the same herein;

**NOW, THEREFORE**, in consideration of the mutual terms, covenants and conditions contained herein, it is agreed by and between the parties as follows:

1. **Incorporation of Preambles.** The parties find that all of the preambles contained herein are full, true and correct and do incorporate them into this Agreement by this reference.
2. **Section 14.3 moved to 4.15.** The parties agree that Section 14.3 Annualized

Wages in the CBA will be moved to Section 4.15 and modified to read as follows:

4.15 Payment of Annualized Wages —

Employees who are scheduled to work less than fifteen (15) hours per week and any employee newly hired beginning July 1, 2018 will be paid for the hours they work per pay period, and are excluded from annualized pay option.

Employees who are scheduled to work fifteen (15) hours or more per week and were hired prior to July 1, 2018 will be paid on an hourly basis and have the option to have their wages paid on an annualized basis. Employees that have opted out of the annualized pay option are no longer eligible to be paid annualized pay. Members currently being paid through the annualized pay option have the option to opt out by July 1<sup>st</sup> of each year. Annualized wages shall be paid on a fiscal year basis (July 1-June 30), beginning with the first pay period in July 2023.

Any bargaining unit member that resigns after July 1<sup>st</sup> who has been paid wages on the fiscal year will reimburse the District any overpayment of wages and benefits paid on behalf of the bargaining unit member.

All bargaining unit members, as a condition of their employment, will be paid through the District's automated direct deposit program.

3. **Section 4.14 Modification.** The parties agree that Section 4.14 shall be modified to read as follows:

4.14 Payment of Hourly Wages —

Each bargaining unit member hired July 1, 2018 or after will be paid on an hourly basis for the hours they worked during the pay period, based on the payroll calendar for the fiscal year. The payroll calendar is on a bi-weekly basis.

All bargaining unit members, as a condition of their employment, will be paid through the District's automated direct deposit program.

4. **Section 14.1 Modification.** The parties agree the dates in Section 14.1 contains typographical errors that should be corrected. Where the each of the two (2) paragraphs state, "2018-2019, 2019-2020, and 2020-2021," those years should be replaced with the following, "2021-2022, 2022-2023, 2023-2024."

5. **Content of Agreement.** This Agreement contains all the terms agreed upon by

the parties.

6. **Making of this Agreement.** Each of the parties hereto has entered into this Agreement as its free and voluntary act. Each of the parties hereto has had the advice and benefit of counsel in making this Agreement, and knows and fully understands the terms of this Agreement.

7. **Execution.** This Agreement may be executed in counterparts, and any party hereto may sign any counterpart. The Agreement shall be effective when each party hereto shall have signed a counterpart and a set of counterparts bearing the signatures of each party hereto shall constitute the Agreement as fully as if all the parties have signed a single document.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed on the date first written above.

**PANA COMMUNITY UNIT SCHOOL  
DISTRICT NO. 8**

By: \_\_\_\_\_  
**President of the Board of Education**

**ATTEST:**

\_\_\_\_\_  
**Secretary, Board of Education**

**PANA DISTRICT NO. 8 EDUCATIONAL  
SERVICE PERSONNEL IEA-NEA**

By: \_\_\_\_\_  
\_\_\_\_\_