

**DU PAGE ELEMENTARY SCHOOL DISTRICT 13
BOARD OF EDUCATION
Bloomington, Illinois**

Regular Meeting June 26, 2023

FOR ACTION

Subject: Approval of Memorandum of Understanding Regarding Cash in Lieu of Health Insurance (\$1,000)

In last week's edition of the Thursday Letter, I mentioned that the Teacher's Retirement System (TRS) found the language in the third paragraph of Article VI Section 6.1 of the current agreement with the Union to be problematic.

Per the CBA, Page 16 : 6.1 Medical-

As of the 2020-2021 school year, for each teacher who declines the District's insurance coverage by July 1 (or within two weeks of employment for new hires) of each year of this Agreement, the Board shall pay that teacher a \$1,000 non compounding stipend. If the teacher later accepts the District's insurance coverage, the Board shall adjust the teacher's pay accordingly.

It has been discovered that such cash in lieu of payment is considered a flexible benefit plan according to TRS. Therefore, the District is required to report \$1,000 in creditable earning to all TRS employees whether or not they declined the districts health insurance or not as well as pay the TRS rates (employee and employer).

A "tentative" agreement between the Council and the District through the work of the District's legal counsel does require a Memorandum of Understanding (MOU) be drafted changing the term "cash in lieu" to "reimbursement". Employees would need to provide the District with evidence they are covered by an out of District policy as well as provide evidence of premiums in excess of \$1,000.

In doing so for the 22-23 school year as well as through the end of the current CBA (2025), TRS would not recognize "reimbursements" as creditable earnings for any TRS employee.

This will need to be addressed when the Board and Union return to the bargaining table near the end of the current agreement. Since this has been in place and practice for more than this year, the District will likely have to submit a payment to cover the TRS and THIS (TRS health) employee and employer costs for the \$1,000 reimbursement for all TRS eligible employees for the past two years. It is estimated that TRS would receive approximately \$25,000 from the District.

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in Lieu of Health Insurance (\$1,000) (Page 2)**

The attached Memorandum of Understanding has been reviewed by the District's attorney and addresses all concerns in the application of this benefit to the union membership. The Bloomingtondale Council of Teachers has already approved the Memorandum of Understanding prior to the end of the school year.

I am recommending the Board approve the Memorandum of Understanding to Article VI, Section 6.1 of the agreement with the Bloomingtondale Council of Teachers.

Recommendation: The Board approve the Memorandum of Understanding to Article VI, Section 6.1 of the agreement with the Bloomingtondale Council of Teachers.

