

INDEPENDENT SCHOOL DISTRICT #877 POLICY

Buffalo – Hanover – Montrose

INDEX TITLE Personnel SERIES NO. 400

POLICY TITLE Wellness Pilot Program CODE NO. 452

I. PURPOSE:

Buffalo-Hanover-Montrose ISD #877 (“Employer”) desires to offer incentives to employees who voluntarily choose to participate in wellness programs (“Wellness Programs”) pursuant to a pilot program (the “Pilot Program”) that is made available through the Resource Wellness Alliance (“Wellness Alliance”). The Pilot Program is intended to be temporary and will sunset on the date set forth below.

II. GENERAL STATEMENT OF POLICY

Section 1. Pilot Program. During the term of the Pilot Program, employees will be provided financial incentives to participate in and complete Wellness Programs made available through the Wellness Alliance. Participation in the Pilot Program by employees is completely voluntary.

Section 2. Eligibility. Incentives under the Pilot Program are limited to employees who are enrolled in Employer-sponsored group health plans made available through Resource Training & Solutions. The Pilot Program shall terminate with respect to any class of employees that ceases to participate in group health plan coverage made available through Resource Training & Solutions.

Section 3. Incentive. The Employer will pay incentives in the amount of \$200 in 2012 for each employee who completes a health risk assessment between February 28 – March 29, 2012. The Employer will pay \$240 in 2013 for each employee who completes a health risk assessment and participates in biometric screening in 2013. No amount of incentives shall be payable as taxable cash compensation.

Section 4. Application of Incentives. Incentives earned by employees shall be applied first, to reduce the employees’ share of health insurance premium under the coverage option selected by the employee. The reduction of the employees’ share of health insurance premiums shall be applied in the manner determined by Employer or as otherwise agreed upon. If and to the extent any portion of the incentive remains unallocated after reduction of the employees’ share of health insurance premiums, the balance shall be contributed to (1) the HSAs of employees who have established HSAs through a custodian selected by Employer or (2) the individual accounts of employees under the Employer’s HRA funded through the Minnesota Service Cooperative VEBA Plan and Trust in the manner determined

by Employer or as otherwise agreed upon. At the Employer's discretion, incentives may be contributed to HSAs or VEBA account of employees rather than applied to reduce health insurance premiums. Individual employees are not permitted to determine how incentives will be applied.

Section 5. Wellness Programs. During the first year of the Pilot Program, employees will be eligible for an incentive if they complete an online health risk assessment and review the results. Employees who do not have reasonable access to the internet through work or home will be provided online access through the Employer's worksite. During the second year of the Pilot Program, employees will be eligible of an incentive if they complete an online health risk assessment and review the results, and participate in biometric screening. In subsequent years Employer will work with the Wellness Alliance to make additional Wellness Programs available and Employer may modify the incentive structure as it deems appropriate. In no event will an incentive be contingent on satisfying a standard related to a health factor, unless a reasonable alternative standard is made available to achieve the reward for persons who could not otherwise obtain the reward because of a health condition or for whom it would be medically inadvisable to attempt to satisfy the applicable standard.

Section 6. Confidential Information. Individual information that employees provide on the health risk assessment or learn through biometric screening will not be shared with the Employer or the Wellness Alliance. The Employer will receive information on who completes the health risk assessment and participates in biometric screening solely for the purpose of determining who is entitled to an incentive.

Section 7. Temporary Program; Sunset Provisions. The Pilot Program may be terminated at the discretion of Employer at any time, but incentives earned before the Pilot Program is terminated will be payable as described herein. The Pilot Program will automatically terminate on December 31, 2013 unless renewed by the Employer. Employer is not required to bargain for renewal or extension of the Pilot Program.

Section 8. No Precedent. This agreement does not set any precedent for any future issue, nor does it authorize opening any collective bargaining agreement between the Parties for negotiation.

**Administrative Offices
Buffalo, Minnesota 55313**

DATE OF ADOPTION _____

DATE OF REVIEW _____ January 23, 2012 _____

DATE OF APPROVAL _____