

**INDEPENDENT SCHOOL DISTRICT NO. 256  
AND  
DIRECTOR OF FINANCE & OPERATIONS, DIRECTOR OF TEACHING &  
LEARNING, DIRECTOR OF COMMUNITY EDUCATION  
MEMORANDUM OF UNDERSTANDING  
REGARDING MINNESOTA STATE RETIREMENT SYSTEM HEALTH CARE  
SAVINGS PLAN OPTION**

This Memorandum of Understanding (“MOU”) is entered into by and between the Upper Level Management Group - Director of Finance & Operations, Director of Teaching & Learning and Director of Community Education (“ULMG”) and Independent School District No. 256, Red Wing, Minnesota (“District”). The School District and the ULMG are referred to collectively as “the parties.”

WHEREAS, the Minnesota State Retirement System Health Care Savings Plan option is a benefit that is mutually desired by the District and ULMG;

WHEREAS, participation in this program is not available to a group of one;

WHEREAS, the Director of Finance & Operations, Director of Teaching & Learning and Director of Community Education have formed a group called the Upper Level Management Group in order to facilitate membership and participating in the Minnesota State Retirement System Health Care Savings Plan;

NOW, THEREFORE, IN CONSIDERATION OF the mutual promises contained in this MOU, including the relinquishment of certain legal rights, the ULMG and the District hereby agree as follows:

Effective upon approval of both the District and ULMG, payment of any compensation that members of the Red Wing Public Schools Upper Level Management Group are granted in this MOU shall be made payable to the Minnesota State Retirement System (MSRS). The School District shall contribute \$1,200 annually to the HCSP administered by Minnesota State Retirement System (MSRS). Contributions will be made on a monthly basis. This “Memorandum of Understanding” will be reviewed every two (2) years for necessary revisions. Payment will be deposited into a Health Care Savings Plan (HCSP), on behalf of the eligible employee. These HCSP monies will be utilized 100% tax-free by the employee for eligible medical expenses and premiums.

- I. Not Subject to Grievance Process.** This MOU will not be subject to the grievance process set forth in any of the employee agreements. As a result, neither the ULMG nor an individual group member may file a grievance to contest any aspect of this MOU.

- II. No Precedent or Past Practice.** Nothing in this MOU shall be deemed to establish a precedent or practice or to alter any established precedent or practice arising out of or relating to any employee agreements between the District and the ULMGs. No party may submit this MOU in any proceeding as evidence of a precedent or practice.
- III. Equal Drafting.** In the event any person asserts or concludes that a provision of this MOU is ambiguous, this MOU must be construed to have been drafted equally by the parties.
- IV. Entire Agreement.** This MOU constitutes the entire agreement between the parties relating to the Minnesota State Retirement System Health Care Savings Plan benefit option. This MOU controls to the extent that it conflicts with the terms of any ULMG Agreement. No party has relied on any statements or promises that are not set forth in this MOU. No changes to this MOU are valid unless they are in writing and signed by both parties.
- V. Upper Level Director Group.** This MOU document contains the overarching conditions of the Minnesota State Retirement System as it pertains to the Director of Finance & Operations, Director of Teaching & Learning and Director of Community Education.
- VI. Eligibility: Director of Finance & Operations, Director of Teaching & Learning, Director of Community Education.**
  - A. Eligibility for Minnesota Health Care Savings Plan: The employee is eligible to participate in the Minnesota Health Care Savings Plan (HCSP) established under Minnesota Statutes, section 352.98 (2002) and as outlined in the Minnesota State Retirement System's Trust and Plan Documents. The School District will deposit monies earned via severance/retirement payments as well as other contributions noted in this agreement to their Health Care Savings Plan (HCSP).
  - B. Death of Retired Employee Benefit: If a retired employee dies before all or a portion of the HCSP contributions have been made, the employee's spouse and/or dependents and/or beneficiaries and/or estate shall be eligible to receive the remaining payments.

By signing below, each party represents that it has read, understands, and agrees to be bound by the terms of this Letter of Understanding, and is authorized to sign on behalf of the party he or she represents.

\_\_\_\_\_  
School Board Chair

\_\_\_\_\_  
Director of Finance & Operations

\_\_\_\_\_  
Chief District Negotiator

\_\_\_\_\_  
Director of Teaching & Learning

Dated: \_\_\_\_\_

\_\_\_\_\_  
Director of Community Education

Dated: \_\_\_\_\_