



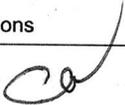
D.C. Everest Area School District

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Dr. Kelley Strike
Assistant Superintendent of Operations

MISSION STATEMENT

D.C. Everest Area School District, in partnership with the community, is committed to being an innovative educational leader in developing knowledgeable, productive, caring, creative, responsible individuals prepared to meet the challenges of an ever-changing global society.

TO: Dr. Casey Nye, Superintendent 
FROM: Dr. Kelley Strike, Assistant Superintendent of Operations
DATE: March 11, 2026
SUBJECT: Cash In Lieu of Health Insurance Benefit Change

The District currently offers employees a cash in lieu of health insurance benefit for those who elect not to enroll in the District's health plan. This benefit was originally implemented on January 1, 2022.

After reviewing the structure of the benefit and common practices among employers, it is recommended that the District adjust eligibility for employees who receive the cash in lieu payment while also participating in the District's health plan as a spouse or dependent.

Beginning **January 1, 2027**, employees receiving the cash in lieu benefit while enrolled in the District's health plan as a spouse or dependent will have the benefit reduced to **\$200 per month** (prorated based on FTE). This represents a **50% reduction** from the current benefit level.

Beginning **January 1, 2028**, employees who are enrolled in the District's health plan as a spouse or dependent will **no longer be eligible** to receive the cash in lieu benefit.

Currently, 47 employees receive this benefit while also participating in the District's health plan as a spouse or dependent, resulting in a projected annual cost of approximately \$213,600 for the current year. Adjusting this eligibility structure will help ensure the benefit is aligned with its original intent, to incentivize employees to obtain health coverage outside of the District's plan while also reducing the cost of providing duplicative benefits.

This exclusion is both common among employers and allowable under applicable laws and regulations. The recommended phased approach provides employees adequate time to plan for the change while aligning the District's benefit structure with common benefit practices.

Recommendation:

It is recommended that the board approve the change to cash in lieu benefit. This change will be reflected in handbooks/contracts.