

**BOARD OF EDUCATION OF
GENEVA COMMUNITY UNIT SCHOOL DISTRICT NO. 304
AND
GENEVA EDUCATION ASSOCIATION – IEA/NEA
SETTLEMENT AGREEMENT RE: TRS ISSUES FOR 2018-19**

THIS SETTLEMENT AGREEMENT is entered into this ___ day of September, 2023 between the Board of Education of Geneva Community Unit School District No. 304 (“Board” and “District”) and the Geneva Education Association – IEA/NEA (“Association” and, together with the Board, “Parties”).

WITNESSETH:

Whereas, on the 24th day of August, 2015, the Board and the Association entered into a collective bargaining agreement covering the 2015-16 through 2017-18 school years (the “2015 Agreement”); and

Whereas, the 2015 Agreement included Article VII, Section O, providing a Retirement Program (the “Old Plan”) for certain eligible staff members meeting the qualifications for the Old Plan as set forth in Section O; and

Whereas, certain eligible staff members opted to retire pursuant to the Old Plan (“Old Plan Participants”), thereby making such individuals entitled to receive the benefits provided thereunder; and

Whereas, during 2018, the Board and the Association commenced negotiations on a successor collective bargaining agreement to the 2015 Agreement; and

Whereas, during the course of those negotiations, there was a point when the parties were unable to reach an agreement through further negotiations, and certain employees engaged in a 5-day strike; and

Whereas, those employees who participated in the strike were docked for 4 of the 5 days they did not work while on strike; and

Whereas, in an effort to ensure that Old Plan Participants received the benefits provided pursuant to the Old Plan, as well as the resulting pension benefits, the District allowed and otherwise permitted Old Plan Participants to increase their earnings for the 2018-19 school year in accordance with the Old Plan, as well as allowed certain individuals to take on additional stipend work and/or extra-duties, in an effort to avoid those individuals having their pensions adversely impacted as a result of the four dock days; and

Whereas, in doing so, the District inadvertently failed to properly implement 40 ILCS 5/16-130 and 80 Ill. Admin. Code 1650.320 (commonly referred to as the “TRS 170-Day Rule”) and did

not realize that its actions would cause some employees to earn salary increases in excess of 6% of their prior year's earnings;

Whereas, on the 14th day of December, 2018, the Board and the Association entered into a collective bargaining agreement covering the 2018-19 through 2022-23 school years (the "2018 Agreement"); and

Whereas, the 2018 Agreement included Article VII, Section O, providing a Retirement Incentive Program (the "New Plan") for certain eligible staff members meeting the qualifications for the New Plan as set forth in Section O; and

Whereas, individuals electing to participate in the New Plan, and retire pursuant to its terms, entered into Individual Retirement Contracts with the District, thereby removing those individuals from the salary schedules in the 2018 Agreement and, instead, such staff members' annual salary and other relevant terms were set by their Individual Retirement Contracts and the amounts set forth therein were used for TRS reporting purposes; and

Whereas, certain eligible staff members elected to participate in the New Plan ("New Plan Participants"), thereby making such individuals entitled to receive the benefits provided thereunder; and

Whereas, when filing its Employer's Annual Report of Earnings with the Teachers' Retirement System for the State of Illinois for the year July 1, 2018 through June 30, 2019, the District erred reporting the salary rate for New Plan Participants; and

Whereas, for Old Plan Participants, the District's failure to properly implement the TRS 170-Day Rule caused the Board to potentially owe additional amounts in excess pension contributions to TRS due to the salaries initially reported to TRS for the July 1, 2018 through June 30, 2019 year; and

Whereas, the Board and the Association find it in their respective best interests, as well as the interests of their respective constituencies, for the Board to file an Employer's Report of Adjustments to Earnings for July 1, 2018 through June 30, 2019 Correcting "Employer's Annual Report of Earnings", as well as an Employer's Report of Adjustments to Earnings for July 1, 2019 through June 30, 2020 Correcting "Employer's Annual Report of Earnings" for certain Old Plan Participants; and

Whereas, the Board and the Association find it in their respective best interests for the Board to file an Employer's Report of Adjustments to Earnings for July 1, 2018 through June 30, 2019 Correcting "Employer's Annual Report of Earnings" for certain New Plan Participants; and

Whereas, certain Old Plan and New Plan Participants have remaining amounts of Post-Retirement Contributions (also referred to as "bucket funds" or "bucket money") pursuant to their respective retirement incentive plans, which have not been distributed or otherwise paid to those individuals; and

Whereas, the Association's willingness to agree to the amounts set forth in the Employer's Report of Adjustments to Earnings as detailed herein, is based upon, among other things, the Board's agreement to pay all remaining Post-Retirement Contributions to both the Old Plan and New Plan Participants in the specific amounts set forth in this Agreement (subject to TRS processing the agreed upon Employer's Reports of Adjustments to Earnings).

AGREEMENT

NOW, THEREFORE, it is agreed between the Board and the Association as follows:

SECTION ONE: The preambles to this Settlement Agreement are hereby adopted, ratified, and approved as if fully set forth and restated in this Section One *verbatim*.

SECTION TWO: The Parties hereby stipulate and agree the Board will file with TRS an Employer's Report of Adjustments to Earnings for July 1, 2018 through June 30, 2019 Correcting "Employer's Annual Report of Earnings" for Old Plan Participants listed and in the amounts set forth on Exhibit A, which is attached hereto and made a part hereof.

SECTION THREE: The Parties hereby stipulate and agree the Board will file with TRS an Employer's Report of Adjustments to Earnings for July 1, 2019 through June 30, 2020 Correcting "Employer's Annual Report of Earnings" for Old Plan Participants listed and in the amounts set forth on Exhibit B, which is attached hereto and made a part hereof.

SECTION FOUR: The Parties hereby stipulate and agree the Board will file with TRS an Employer's Report of Adjustments to Earnings for July 1, 2018 through June 30, 2019 Correcting "Employer's Annual Report of Earnings" for New Plan Participants listed and in the amounts set forth on Exhibit D, which is attached hereto and made a part hereof.

SECTION FIVE: For Old Plan Participants listed on Exhibits A and B, within thirty (30) calendar days of both: (1) the Board filing the Employer's Report of Adjustments to Earnings for July 1, 2018 through June 30, 2019 Correcting "Employer's Annual Report of Earnings" in the form of Exhibit A and the Employer's Report of Adjustments to Earnings for July 1, 2019 through June 30, 2020 Correcting "Employer's Annual Report of Earnings" in the form of Exhibit B, and (2) TRS's processing of those adjustments, the Board shall distribute the remaining Post-Retirement Contributions to the identified Old Plan Participant(s) in the amounts set forth in Exhibit C.

SECTION SIX: For New Plan Participants listed on Exhibit D, within thirty (30) calendar days of both: (1) the Board filing the Employer's Report of Adjustments to Earnings for July 1, 2018 through June 30, 2019 Correcting "Employer's Annual Report of Earnings", in the form of Exhibit D, and (2) TRS's processing of those adjustments, the Board shall distribute the remaining Post-Retirement Contributions to the identified New Plan Participant(s) in the amounts set forth in Exhibit E.

SECTION SEVEN: By entering into this Agreement, the Parties agree that it is limited to the issues addressed herein and is not intended to have any effect on any other matters.

SECTION EIGHT: The Parties hereby stipulate and agree TRS's processing of the adjustments described in Sections FIVE and SIX: is limited to the specific facts and circumstances addressed in this Agreement; does not set precedent of any kind; and will not impact other transactions or matters involving TRS.

SECTION NINE: This Agreement shall be construed in accordance with the laws of the State of Illinois and any dispute regarding the interpretation or application of this Agreement shall be resolved pursuant to the grievance and arbitration procedure in the Parties' current collective bargaining agreement covering the 2023-24 through 2025-26 school years (the "2023 Agreement"). If any such dispute should arise following the expiration of the 2023 Agreement, the Parties agree that it shall be resolved pursuant to the grievance and arbitration procedure in the collective bargaining agreement in effect at the time the events giving rise to the dispute occurred.

SECTION TEN: This Agreement shall be effective on the date first set forth above.

IN WITNESS WHEREOF, the Parties have executed and approved this Agreement as set forth below.


BOARD OF EDUCATION OF
GENEVA COMMUNITY UNIT
SCHOOL DISTRICT 304

By: _____
Its President

Attest: _____
Its Secretary

GENEVA EDUCATION
ASSOCIATION – IEA/NEA

By:  _____
Its President

Attest:  _____
Its Secretary