

# **MEMORANDUM OF UNDERSTANDING**

**between the**

**BAY CITY PUBLIC SCHOOLS**

**and the**

**INTERNATIONAL BROTHERHOOD of TEAMSTERS  
LOCAL UNION NO. 214**

**June 9, 2011**

The parties recognize the tentative agreement dated June 6, 2011 and, in particular, the following provision related to Annuity which states:

*Section 17.5 – Annuity Option In Lieu of Health Insurance shall now read:*

*Bargaining Unit members who qualify for Health Insurance coverage, who choose not to be provided with such coverage because they have health coverage through another resource, shall be eligible to receive an annuity of \$100.00 per month toward a plan currently payroll deducted by the Board of Education or may receive such payment in a cash option. The member will need to complete a declination form when making a decision not selecting insurance coverage. Bargaining Unit members may elect hospitalization insurance if his/her spouse who was previously covered by fully paid hospitalization elsewhere died, retired or otherwise lost the benefit of such hospitalization coverage for reasons beyond his/her control. Such member would drop the annuity option and then be permitted to apply for Health Insurance through the Board on the usual terms and conditions prescribed by the insurance company.*

In addition, the parties agree to add the following to the above-stated language to be contained in Section 17.5 of the Master Agreement:

"In addition a fund will be established to share savings related to an employee's decision to select an annuity payment in lieu of selecting District provided health insurance coverage.

An amount equal to 40% of the District's portion of the health insurance premium relinquished by the employee will be added to a fund for any individual that selects the annuity option over the number of individuals (total of 0) that had selected the annuity option in the 2010/2011 fiscal year (See attached illustrated example).

Furthermore, the level of health insurance premium used for this calculation will be based on the employee's previous choice of coverage prior to selecting the annuity option, single coverage, two person coverage or full family coverage as defined in the "Base Plan".

Payment of any savings over the fixed monthly annuity payment of \$100 dollars per month will be paid in a lump sum amount no later than June 30<sup>th</sup> of the fiscal year in which the annuity option was selected in a separate check. The member may choose a cash option payment or a 403b annuity governed by Section 125 of the Internal Revenue Code.

If an employee selects the annuity option or requests a change in coverage at a time other than open enrollment, the amount added to the annuity fund will be adjusted to reflect this change.

In the event an individual who has a spouse employed by the District (and who is currently primary insurance holder) moves from the primary insurance holder to the annuity option, this individual will not be included in the annuity savings calculation.

AGREED,



BAY CITY PUBLIC SCHOOLS

6-9-11

DATED

AGREED,



INTERNATIONAL BROTHERS OF  
TEAMSTERS, LOCAL UNION NO. 214

6-10-11

DATED

## Big Table Annuity Proposal

### Bus Mechanics

<u>2010/2011 Number Taking Annuity</u>	<u>2010/2011 Annual Annuity Payment</u>	<u>Health Insurance Option</u>	<u>Annual Premiums</u>	<u>District will cover 80% of Premiums</u>	<u>40% of District Premium Cost</u>
0	\$ 1,200.00	Single	\$ 6,695.40	\$ 5,356.32	\$ 2,142.53
		2 Person	\$ 14,656.92	\$ 11,725.54	\$ 4,690.21
		Full Family	\$ 17,099.64	\$ 13,679.71	\$ 5,471.88

### Proposed Annuity Bonus Payment Examples

#### One Addition Single

<u>2011/2012 Number Taking Annuity</u>	<u>2011/2012 Annual Annuity Payment</u>	<u>Annuity Bonus Amount</u>	<u>One-Time Additional June Payment</u>
1	\$ 1,200.00	\$ 2,142.53	\$ 2,142.53

#### One Addition Single/One Additional 2-Person/One Additional Family

<u>2011/2012 Number Taking Annuity</u>	<u>2011/2012 Annual Annuity Payment</u>	<u>Annuity Bonus Amount</u>	<u>One-Time Additional June Payment</u>
3	\$ 1,200.00	\$ 12,304.63	\$ 4,101.54

#### Four Additional Full Family

<u>2011/2012 Number Taking Annuity</u>	<u>2011/2012 Annual Annuity Payment</u>	<u>Annuity Bonus Amount</u>	<u>One-Time Additional June Payment</u>
4	\$ 1,200.00	\$ 21,887.54	\$ 5,471.88