

## LETTER OF AGREEMENT

Between

**KENOWA HILLS BOARD OF EDUCATION**

And

**KENOWA HILLS EDUCATION ASSOCIATION (KHEA), KENOWA HILLS SUPPORT STAFF ASSOCIATION (KHSSA) and KENT COUNTY EDUCATION ASSOCIATION (KCEA) /MEA/NEA**

RE: Frontloading of HSA Accounts

The parties acknowledge the importance of the employer not exceeding the plan year maximums allowable for health care premiums under the Publicly Funded Health Insurance Contribution Act (PA 152) of 2011. For the 2014-15 Plan Year, that annual plan year maximum is calculated by adding together:

The number of single subscriber enrollees X \$5,992.30, plus  
The number of 2-person subscriber enrollees X \$12,531.75, plus  
The number of family subscriber enrollees X \$16,342.66

Therefore, employee contributions needed to comply with PA 152 and the employer contributions as negotiated in the Collective Bargaining Agreements shall be initially determined based on the enrollment that is in place at the commencement of each plan year.

Since mid-year employment changes (new hires, retirements, etc.) and census shifts that occur throughout the plan year may increase the amount of total employee dollars needed to comply with PA 152 (after the employer has spent the Hard Cap maximums allowed by the Act), the parties agree to meet prior to October 1 and determine if additional payroll deductions for employee contributions are required in order to ensure the total amount of dollars spent by the employer doesn't exceed the annual maximums allowed by law.

Each census shift shall be pro-rated for the remaining plan year after its occurrence for the purposes of determining the overall employer spending limits.

Ex: If a single subscriber switches to a self and spouse subscriber 4 months into the plan year, then the employer's total obligation for the 2014-15 plan year would be  $\$5,992.30 \times \frac{1}{3} + \$12,531.75 \times \frac{2}{3}$ .

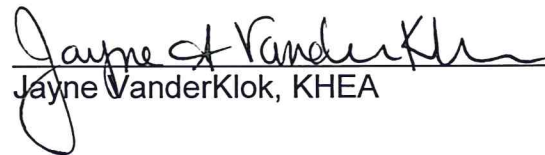
Each employee who leaves mid-plan year shall be pro-rated for that portion of the plan year accordingly as well.

Ex: If a single-subscriber leaves after 6 months into the plan year, then the employer's total obligation towards their PA 152 annual group calculation for that individual would be \$5,992.30 X 1/2.

In the event additional costs are to be incurred by bargaining unit members in order to comply with PA 152, the employer shall communicate these adjustments to the Association Presidents no later than October 31 and make the necessary additional payroll deductions through the remaining plan year payroll dates in order to be compliant with the law.

  
\_\_\_\_\_  
Gerald Hopkins, Kenowa Hills Public Schools


Dec. 9, 2014  
Date

  
\_\_\_\_\_  
Jayne VanderKlok, KHEA

12/9/14  
Date

  
\_\_\_\_\_  
Nancy Nadler, KHSSA

12-9-14  
Date

  
\_\_\_\_\_  
Aesha L. Baldwin, KCEA

12/10/14  
Date