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**D.C. Everest Area**  
**SCHOOL DISTRICT**

6300 Alderson Street  
Weston, Wisconsin 54476

**Alternative 1 - Optional**

## MEMORANDUM OF UNDERSTANDING Optional High Deductible Health Plan (HDHP)

1. General Statements: It is hereby understood and agreed by and between the School Board of the D. C. Everest Area School District (Board) and General Teamsters Local No. 662 that the Board will offer an optional High Deductible Health Plan (HDHP) to custodial bargaining unit employees (employees) beginning July 1, 2010 and that the following shall apply:
    - a. Eligible employees currently in the District's non-HDHP may enroll during May 2010, and early June 2010 as necessary, for the HDHP-40 (High Deductible = \$2,000 for single plan and \$4,000 for a family plan). Note: The attached HDHP-40 Plan Outline shows the basic coverage.
    - b. Participation in the HDHP entitles an employee to open and take advantage of a tax exempt (federal) Health Savings Account (HSA).
    - c. By no later than June 30, 2010, employees with a single or family HDHP must have opened a personal HSA at the bank of their choice.
    - d. Except for the preventive care procedures shown on the attached HDHP-40 Outline, all health care service cost applies to the deductible.
    - e. All employees currently enrolled in the District's health insurance non-HDHP may enroll in the HDHP-40 corresponding with their existing plan, single or family, during May or June.
    - f. Employees hired after June 30, 2010 shall henceforth be offered the HDHP-40 as the District's only available health plan. The employee's HSA must be created prior to the first full month of employment to qualify for a deposit in that month; no retroactive contribution is authorized.
    - g. When a couple is working for the district only one family plan or two single plans is/are allowed.
    - h. The HDHP must conform to IRS requirements and administration may make whatever changes are necessary to comply with those requirements including limiting HSA contributions that would create a penalty situation for an employee or the district.
  2. Transition to HDHP:
    - a. Initial Transition for Current Employees: Eligible employees who enroll in the HDHP in May /June 2010 will receive a monthly deposit to their HSA of 1/6th of \$950 per single plan, or \$1,900 per family plan
- C. CURRENT EMPLOYEES MAY OPT BACK TO CURRENT PLAN DURING ENROLLMENT PERIOD.*


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- i. A one-time non-cash credit toward the HDHP deductible of \$800 per single plan or \$1,600 per family plan will be combined with any deductible met by participating employees during the first half of the 2010 calendar year under the non-HDHP. This credit is good only for the calendar year ending December 31, 2010.
- 3. HDHP Participation Following Transition: Beginning in January 2011, eligible participating employees shall receive a monthly contribution is \$145.83 for a single plan, or \$291.67 for a family plan, for a full annual total of, not to exceed, \$1,750 for a single plan, or \$3,500 for a family plan.
- 4. New Employees: A new eligible employee enrolled in the District's HDHP-40 shall receive a monthly contribution to their HSA for each full month of participation in the HDHP. The monthly contribution is \$145.83 for a single plan, or \$291.67 for a family plan, for a full annual total of, not to exceed, \$1,750 for a single plan, or \$3,500 for a family plan.
  - a. Employees starting the HDHP for the first time on or after July 1<sup>st</sup> of any year shall receive a one-time non-cash credit toward their HDHP deductible of \$800 per single plan, or \$1,600 per family plan. This credit is good only to the end of their first calendar year of participation in the HDHP.
- 5. Annual Contribution by the District to HSAs During Early Retirement: HSA contributions by the District shall continue to retirees during the period of time retirees are eligible to participate in the pension plan as set forth in Article 24-PENSION of the Contractual Agreement and shall terminate at the end of the month prior to the month in which the retiree becomes 65 years of age or qualifies for Medicare Part A and B, whichever occurs first.

Mary A. Hancock, President  
D. C. Everest Area School District  
School Board

  
David Reardon, Secretary-Treasurer  
General Teamsters Union Local 662

Date

Date 5-14-10