

## MEMORANDUM OF UNDERSTANDING REGARDING HEALTH SAVINGS ACCOUNTS

The District and DCF both recognize the importance of maintaining the district's contribution to its employee Health Savings Accounts as a part of providing quality health insurance.

### MOU Parameters

1. Licensed employees who complete a 12 month contract ending June 30, 2009 and exit the system due to resignation, retirement, non-renewal or dismissal, will have their medical coverage continue through July 31, 2009 if working a 4 track calendar and August 31, 2009 if working a traditional calendar. This coverage does not include DCSD's contribution to an HSA.
2. COBRA coverage for termed licensed employees is the high deductible plan. This coverage does not include DCSD's contribution to an HSA.
3. Beginning June 30, 2010 and continuing in future years, benefit coverage for licensed employees will end on June 30 when exiting the system due to resignation, non-renewal, or dismissal.
4. Beginning June 30, 2010 and continuing in future years, a licensed employee who is retiring under PERA will have their medical coverage continue through July 31 if working a 4 track calendar and August 31 if working a traditional calendar. This coverage does not include DCSD's contribution to an HSA.
5. Both parties have an interest in developing contract language that seeks to maintain this funding at or above the previous year's funding level.

### 2010 - 2011

- a) (Current Allocation) x 1.15 = DCSD pays 100%
  - b) (Current Allocation) x 1.151 or greater = employee pays 100% (above 15%)
  - c) If increase is less than 15%, savings remain in medical fund unless mutually agree to reopen
  - d) The above can be mutually reopened at any time.
6. DCSD is committed to work with DCF to promote employee health. DCSD supports funding a wellness program for all employees. A target budget for wellness will be 1% of total premiums in any year including any premiums paid to fully insured plans. If the District moves exclusively to a fully-insured plan, then the wellness program target budget will be calculated separately at 1% of total insured premiums.
  7. The District and the Union have agreed to the establishment of a HSA Loan Program administered by the DCF for the purpose of making interest-free loans to employees for the following purposes:

### Loan Parameters

In the case of demonstrated hardship or catastrophic event, this loan program enables employees to cover the gap between the district-provided HSA allocation and the IRS allowable amount.

- a) Administration. The DCF will hold the funds in a trust and administer the program. The DCF is to establish communication as it deems appropriate with

staff regarding the program. The DCF may charge a nominal service fee to District employees who qualify for the program in order to off-set the costs of administration of the program. Funds that are not currently on loan to employees shall be maintained in an interest-bearing account in trust for the District, with the interest earned on said funds being applied to support the program and/or to cover administrative costs associated with the operation of the program.

- b) Annual Reports. At least annually, on a schedule determined by the Business Services Division of the District, the DCF will provide the Division with information regarding the utilization of the funds. The information shall include the number of employees who participated in the program, the amount of money lent to employees, the re-payment plans in place, and the progress being made toward the re-payment of the obligation. Any external audit performed upon said funds will be provided to the Division at such time said audit is accepted by DCF.
- c) Termination. The HSA Loan Program may be terminated by either party upon sixty (60) days written notice to the other party. Promptly upon termination, the sum of \$100,000 will be returned to the District, less any sums then on loan to employees and further, less any sums jointly deemed uncollectible by the DCF and the District. The DCF will assign to the District any right to receive re-payment of funds on loan to employees that may be in place as of the effective date of termination.

DATED at Castle Rock, Colorado this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

DOUGLAS COUNTY SCHOOL  
DISTRICT Re-1

DOUGLAS COUNTY  
FEDERATION OF TEACHERS

\_\_\_\_\_  
President, Board of Education

\_\_\_\_\_  
President, DCFT

ATTEST:

ATTEST:

\_\_\_\_\_  
Secretary

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Secretary