

Great Valley School District

Administrative Compensation Plan

July 1, 2015 through June 30, 2016

Approved by the Great Valley School Board June 8, 2015

PHILOSOPHY/PURPOSE

The Great Valley Board of School Directors believes that its administrators are vitally important personnel. The purpose of the administrator compensation plan is to set forth the compensation program in order to attract, retain, and reward high quality administrative personnel. It is based on the philosophy that a strong, highly competent administrative team is extremely important to carry out the goals of Great Valley School District, and that this team be recognized for the significant responsibilities it fulfills.

Part I: Benefit Structure

Health Benefits

1. **Medical Insurance** - Administrators and their eligible dependents shall receive the same medical insurance, dental insurance, prescription insurance, and vision care insurance as that set forth in the Collective Bargaining Agreement between the District and the Great Valley Education Association as it may be amended from time to time, including any addendum agreements. Premium share, plan design, deductibles, and copays shall be the same as that set forth in the Great Valley Education Association Collective Bargaining Agreement as it may be amended from time to time, and any modifications to the Collective Bargaining Agreement or any successor Agreement provisions shall be implemented as of the same date as that implemented for the Great Valley Education Association.
2. **Flexible Spending Plan** - The District shall adopt an IRS Section 125 Plan and permit all employees to participate in the Section 125 Flexible Spending Account Program, for Medical Care (minimum \$25 and maximum \$2,500) and dependent care (minimum \$25 and maximum \$5,000).

The District shall contribute \$2,000 per year to each administrator's Section 125 Flexible Spending Account for any unreimbursed medically prescribed expenses. The money will be sent to the third party administrator for the Flexible Spending Account in January of each year where the third party administrator will maintain and monitor the administrator's account and other employees' accounts in accordance with IRS regulations. Any unspent funds would be returned to the District at the conclusion of the school year. Each administrator may also contribute an additional \$500 on their own if they want the total Flexible Spending Account to reach the current Internal Revenue Service maximum of \$2,500 per year.

3. **Dental Insurance** - Administrators and their eligible dependents shall receive the same medical insurance, dental insurance, prescription insurance, and vision care insurance as that set forth in the Collective Bargaining Agreement between the District and the Great Valley Education Association as it may be amended from time to time, including any addendum agreements. Premium share, plan design, deductibles, and copays shall be the same as that set forth in the Great Valley Education Association Collective Bargaining Agreement as it may be amended from time to time, and any modifications to the Collective Bargaining Agreement or any successor Agreement provisions shall be implemented as of the same date as that implemented for the Great Valley Education Association.
4. **Prescription Drug** - Administrators and their eligible dependents shall receive the same medical insurance, dental insurance, prescription insurance, and vision care insurance as that set forth in the Collective Bargaining Agreement between the District and the Great Valley Education Association as it may be amended from time to time, including any addendum agreements. Premium share, plan design, deductibles, and copays shall be the

same as that set forth in the Great Valley Education Association Collective Bargaining Agreement as it may be amended from time to time, and any modifications to the Collective Bargaining Agreement or any successor Agreement provisions shall be implemented as of the same date as that implemented for the Great Valley Education Association.

5. **Cost Containment Provision** - The following provisions have been agreed to for the purpose of assisting the District in containing the cost of providing medical and other group insurance benefits to its administrators and limiting the future increases in these costs:
 - a. Married administrators where both spouses work for the District will be provided with one medical insurance policy (BC/BS, major medical, dental, vision, prescription) per family
 - b. Any administrator who voluntarily opts out of medical coverage at the start of any school year shall receive an annual payment in the amount of \$2,500 for multi-party coverage or \$1,250 for single coverage pay. This payment shall be made in two equal installments in the first pay of December and the first pay of June in each year. The administrator must provide proof of alternate insurance at the time of opt out. Administrators may return to the plan in the case of a qualifying event, but in such cases, annual payments for that year will be prorated.
6. **Term Life Insurance** - Term life insurance (with double indemnity) will be provided in an amount equal to three (3) times your salary. Administrators may purchase additional term life insurance, at their own expense, for themselves and dependents.
7. **Vision Insurance** – Administrators and their eligible dependents shall receive the same medical insurance, dental insurance, prescription insurance, and vision care insurance as that set forth in the Collective Bargaining Agreement between the District and the Great Valley Education Association as it may be amended from time to time, including any addendum agreements. Premium share, plan design, deductibles, and copays shall be the same as that set forth in the Great Valley Education Association Collective Bargaining Agreement as it may be amended from time to time, and any modifications to the Collective Bargaining Agreement or any successor Agreement provisions shall be implemented as of the same date as that implemented for the Great Valley Education Association.
8. **Long Term Disability Insurance** - Long Term Disability insurance in an amount equal to a percentage of employee's salary beginning at the conclusion of sick leave and continuing to age 65 will be provided. Benefits will be coordinated with Social Security, Worker's Compensation, and Retirement provisions.
9. **Long Term Care Insurance** - The District will provide Long Term Care Insurance for the employee only covering Nursing Home and Professional Home Care Services up to a

monthly benefit amount of \$3,000. Employee has the option to increase the coverage amount and/or add coverage for spouses at their own expense.

Leave Time

1. **Paid Holidays** - Ten (10) paid holidays will be provided which include Thanksgiving, day following Thanksgiving, Christmas, New Year's, Martin Luther King's Birthday, Presidents' Birthday, Good Friday, Memorial Day, Independence Day, and Labor Day (260 day administrators only)
2. **Vacation Benefit** - Vacation time is earned and credited on July 1 every year as follows:
 - a. Vacation will be earned on the following basis:
 - 1) 0 – 5 years in Great Valley School District equals 1.66 days vacation per month (20 days annually).
 - 2) 6 or more years in Great Valley School District equals 2.083 days vacation per month (25 days annually).
 - b. Vacation time is credited after it is earned (new Administrator receives prorated credit for vacation on July 1 following his/her start date; i.e., start date of August, vacation is credited the next July of 18 days).
 - c. Unused vacation days shall be allowed to accumulate to two (2) times the annual earned amount outlined above on June 30, 2015, whichever is greater. For the 2015-2016 school year, any days over this amount will be paid into a 403(b) account as a non-elective employer contribution as detailed in the subsequent section of this Plan.
 - d. The maximum amount of unused vacation allowed to be carried over each year shall not exceed the total allocation for any year (i.e., if an Administrator earns 25 days that shall be the maximum for carry forward. Therefore, the total vacation on any given July 1 would not be greater than 50 days; 25 for carry forward and 25 for those newly earned vacation days from the prior year). Any vacation not used over the maximum carry forward amount will be lost.
 - e. The amount to be paid for unused vacation days shall be in accordance with the Supplemental Retirement Contribution language herein.
3. **Supplemental Retirement Contribution** – Any Vacation Benefit payable to an Administrator pursuant to Leaves of Absence, Section 2.a., shall be provided as a Supplemental Retirement Contribution in accordance with Leave of Absence, Section 2.a. Such Supplemental Retirement Contribution shall be made, as a one-time non-elective employer contribution to the 403(b) account established by the Administrator in the first calendar year after the year of the Administrator's retirement; provided, however, that if, and to the extent that, such contribution, when combined with the Administrator's

own 403(b) deferrals, if any, would exceed the limitations of the Internal Revenue Code Section 415(c)(1), the excess portion shall be contributed to the Administrator's 403(b) account in the next following calendar year or years, to the extent permitted within the applicable limitations, until the full Supplemental Retirement Contribution has been made. Notwithstanding the foregoing, in no event shall any such contribution be made after: (1) the fifth calendar year following the year of the Administrator's retirement; or (2) the Administrator's death.

4. **Sick Days** - Twelve (12) days of sick leave per year will be credited in advance on July 1st with no limit of accumulation.

Up to ten (10) days per year of accrued sick leave may be used for illness in the immediate family. Immediate family shall be defined as father, mother, brother, sister, son, daughter, husband, wife, parent-in-law, or any person with whom the employee has made his home.

Miscellaneous Compensation

1. **Tuition Reimbursement** - Reimbursement will be made for actual per credit tuition costs (excluding registration and other fees) not to exceed 12 credits per year for graduate credits successfully completed in course work pre-approved by the Superintendent. Administrators may apply to the Superintendent for reimbursement for more than 12 credits in a year; the Superintendent shall review the request and notify the administrator of the approval/disapproval within 2 weeks of the application. Approval/disapproval shall be at the discretion of the Superintendent and done in the overall best interest of the District. In the event that an Administrator leaves the employment with the District within two years after being reimbursed for tuition, the Administrator will be required to reimburse the tuition paid by the District as follows:

Administrator leaves the District within one year	-	100%
Administrator leaves the District within two years	-	50%

2. **Payroll Deductions for Tax Sheltered Annuities** - Payroll deductions are available for all employees to tax-sheltered annuities, 403(b) accounts or 457(b) non-qualified deferred compensation program. Six (6) different annuity companies are available for employees. Payroll deductions are available for all employees to open an account at the Keystone Credit Union.
3. **Deferred Compensation** - The District shall make an annual employer contribution to a Section 457(b) non-qualified deferred compensation program (selected by the employee from available options) on behalf of the employee equal to 5% of the employee's salary (prorated based on the number of full months worked in the calendar year), which contribution is intended by the District to qualify as creditable compensation for purposes of PSERS. The annual contribution will be increased to 6% of salary for employees with 20 or more years of service with the District. The employee will be responsible for all

payroll taxes associated with the deferred compensation, including the employer's share of FICA and PSERS.

Supplemental Retirement Benefits

1. **Retiree Group Health Benefits** -- The District will pay the premium for employee and/or employee/spouse health care coverage, including prescription benefits, following retirement and prior to Medicare eligibility, subject to the following:

- a. Employee must be an administrator at the date of retirement.
- b. Premium paid will be equal to the premium in force at the time of retirement, less the PSERS premium assistance; subsequent increases in premiums will be the responsibility of the employee.
- c. An employee must have 25 years credited service in the PSERS and must commence their retirement benefits from the system.
- d. Benefit premium will be prorated based on work year in the final year of employment (i.e., 210 day employee receives 210/260 or 81 percent of total benefits).
- e. The following schedule will be used to determine type and length of coverage:

<u>Years as Great Valley Administrator</u>	<u>Coverage</u>
3	5 years – employee only
5	7 years – employee only
10	10 years – employee only
15	10 years – employee and spouse

f. Notwithstanding the foregoing, health care coverage and premium payment by the District with respect to the employee or spouse, as the case may, will end when such employee or spouse becomes Medicare eligible.

2. **Service Increment** – Any administrative employee who retires from the District under the provisions of the Pennsylvania Public School Employees' Retirement System with at least a proficient or satisfactory evaluation and completing not less than ten (10) years of service with the District or its predecessors, will be entitled to a service increment contribution to a 403(b) tax-deferred annuity, in accordance with Section 4 below:

<u>Years of Service</u>	<u>Service Increment Contribution</u>
10 plus less than 15 years	20%
15 but less than 20 years	25%

20 but less than 25 years	30%
25 years or more	35%

The contribution shall be the specified percentage of the employee's salary in the final full year of employment. This benefit shall not be considered compensation for purposes of payment to the Pennsylvania Public School Employees' Retirement System.

3. **Sick Day Accumulation Payment** - Administrative personnel retiring from the District who qualify for retirement under the provisions of the Pennsylvania Public School Employees' Retirement System and who have served the Great Valley School District or its predecessors successfully for not less than ten (10) consecutive years will receive a special supplemental retirement benefit equal to \$100, multiplied by the employee's accumulated sick days determined as of the last day of employment with the District. To qualify, eligible employees must provide to the Superintendent written notice of intent to retire, unless prevented from doing so because of health reasons; such notice is to be provided as early as feasible during the employee's final year of employment, but in no event, later than 30 days prior to his last day of employment.

Administrators who experience serious illness requiring hospitalization and who use a minimum of 93 consecutive accrued sick days during the three-year period preceding retirement shall receive a Sick Day Accumulation Payment of not less than \$2,000.

This benefit shall be paid in the form of a non-elective employer contribution to a 403(b) tax-deferred annuity, in accordance with Section 4 below. Employees shall have no cash option to this benefit. This benefit shall not be considered salary for purposes of payment to the Pennsylvania Public School Employees' Retirement System.

Administrators who take sabbatical leave in the year of retirement, except for medical reasons, are not eligible for this retirement payment unless granted a waiver by the Board of School Directors.

4. **Form of Payment** - The Service Increment and Sick Pay Accumulation Payment payable in accordance with Sections 2 and 3 shall be paid as non-elective employer contributions to a 403(b) tax-deferred annuity account for the benefit of the employee; provided, however, that no such contribution, when combined with other contributions, including the employee's own 403(b) deferrals, if any, shall exceed the contribution limits of Section 415(c)(1) of the Internal Revenue Code. If the amount payable under Section 2 and 3 of this agreement exceeds the applicable contribution limit for any year, the excess amount shall be carried forward and contributed into the employee's 403(b) account in the next calendar year and, if necessary, succeeding calendar years, to the extent permitted under the applicable limitations until the entire amount due hereunder has been contributed into employee's 403(b) account. Notwithstanding the foregoing, any amount that has not been contributed to the employee's 403(b) account by the end of the fifth year following the year in which the employee retired from the District, due solely to limitations imposed by law, shall be forfeited. In no event shall the employee have the

option to receive any Service Increment or Sick Pay Accumulation Payment, or any portion thereof, in cash.

5. **Death Benefit** - If an administrator who meets the above requirements dies while actively employed or while on approved leave, the retirement benefits described in Section 2 or 3 above are payable to his/her designated beneficiary or beneficiaries and/or estate.

Part II: Salary Plan

The plan is designed to move administrators through a salary range over time while continuing to provide reasonable salary increases to highly experienced administrators already at the top of their salary range.

The level and ultimately the salary range for a given position are based on an ongoing review of the responsibilities for that position. Specific job descriptions for administrative positions are prepared under the direction of the superintendent.

Appointments

Administrative employees who have no experience will be placed on the lower third of the range. However, those with significant experience may be placed at a higher salary. (See below for profiles of the three levels).

Movement on the Ranges

Salary ranges provide a reference for determining appropriate pay levels for Great Valley administrative employees. The superintendent's assessment of the employee's performance, as well as experience and other factors, will be the primary determinant as to how rapidly an individual's salary moves within the range.

The following profiles describe the type of performance that categorizes each reference point or third on the ranges:

Lower Third (minimum of the range)

Administrators performing almost all of the major aspects of their job in a successful manner.

Administrators learning their jobs.

Administrators newly hired or promoted from within the staff with minimal experience.

Middle Third (mid-range)

Experienced administrators performing all aspects of their jobs in a successful or more than successful manner.

Administrators newly hired or promoted with proven experience in the position.

Upper Third (maximum of the range)

Experienced administrators who have demonstrated sustained excellence of performance in the completion of their administrative job responsibilities over a period of time.

Compensation Adjustments

Salary ranges will be adjusted annually based on the base Act 1 Index as determined by the Pennsylvania Department of Education for the fiscal year of the salary ranges.

Periodically, a formal study of administrative salaries will be done to ensure that salaries remain competitive within their peer group.

A salary range is understood to mean that a given position has a certain minimum and maximum dollar value within the District.

Individual administrators who demonstrate sustained excellent performance will be able to advance from the bottom to the top of a salary range in 12-16 years.

Personnel at the top of the salary range will generally receive salary increases equal to the increase in the salary range in a given year based on the base Act 1 Index as determined by the Pennsylvania Department of Education for the fiscal year of the salary ranges.

Any additional increase that an administrator at the top of the range may earn based on their performance evaluation will be paid in the form of deferred supplemental compensation. Such deferred supplemental compensation will be paid in accordance with existing IRS regulations.

A provision to award one-time bonuses may be available to recognize truly outstanding performance in a given year and based on a recommendation by the Superintendent of Schools.

Increases for personnel with salaries below the maximum for their position will be calculated with two components. The first component will be the percentage increase based on the base Act 1 Index as determined by the Pennsylvania Department of Education for the fiscal year of the salary ranges.

The second component will be a percentage increase (to be recommended by the Superintendent of Schools for high-performing administrators) to allow the administrator to advance through the salary range.