

**MEMORANDUM OF UNDERSTANDING CONCERNING ADMINISTRATIVE
COMPENSATION PURSUANT TO ACT 93**

AND NOW, this 17th day of June, 2014, the Palmerton Area School Board, by duly authorized vote, adopts this Memorandum of Understanding:

WHEREAS, there are certain administrative personnel having supervisory responsibilities who are not covered under the various collective bargaining unit agreements or individual contracts with Palmerton Area School District; and

WHEREAS, it is the intent of the Palmerton Area School Board to allow those individuals to better plan their financial future by designating their remuneration for the next three (3) years,

IT IS THEREFORE AGREED, that this Memorandum of Understanding will be effective for the period beginning July 1, 2014 and ending on June 30, 2017, as follows:

- I. **DEFINITIONS:** For the purpose of this Understanding Group One shall be defined to include the following positions: the Director of Technology, HS/JH Principal, Assistant HS/JH Principal, Elementary Principals, Director of Special Education and Student Services and Group Two shall be defined to include the following position: the Director of District Facilities and Group Three shall be defined to include the two School Psychologists. With the exception of the School Psychologist(s), all Administrators defined hereinabove shall be 260 paid day per year employees. The School Psychologist(s) shall be 225 paid day per year employee(s).

- II. **MANAGEMENT RIGHT RESERVED IN BOARD:** Notwithstanding anything contained in this Memorandum of Understanding, the Board reserves, in its sole discretion, the right to establish/abolish positions and to deviate from the terms herein with respect to the health insurance plan provided at any time during the period in the best interests of the school district as more fully set forth hereinafter. Any dispute arising from this Memorandum of Understanding shall be resolved by the Board.
 - A. Any new hire must serve a probationary period of 90 days. Prior to the end of this period the employment may be terminated at management's discretion. Certified or tenured positions would be exempt from 90 day probationary period.

III. **SALARY INCREASES:** Salary increases shall be as set forth below; however, it should be noted that the district has the right to deviate from said list for the purpose of retention or replacement in any position

- A. 2014-2015 = Contingent upon receipt of a satisfactory evaluation by the District Superintendent;
 - \$2500.00 increase for Group two administrators.
 - 3% increase for Group one administrators.
 - 3.25% increase for Group three administrators.

- B. 2015-2016 = Contingent upon receipt of a satisfactory evaluation by the District Superintendent;
 - \$2500.00 increase for Group two administrators.
 - 2.75% increase for Group one administrators.
 - 3% increase for Group three administrators.

- C. 2016-2017 = Contingent upon receipt of a satisfactory evaluation by the District Superintendent;
 - \$2500.00 increase for Group two administrators.
 - 2.5% increase for Group one administrators.
 - 2.75% increase for Group three administrators.

BENEFITS

The Administrator shall also be entitled to all the fringe benefits detailed on Appendix "A" attached hereto and incorporated herein by reference.

ATTEST:

PALMERTON AREA SCHOOL DISTRICT



Board Secretary

By:

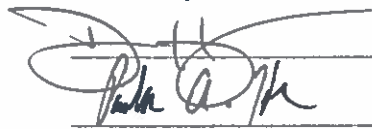


President

Board of School Directors

WITNESS:

ACT93 Representatives



Appendix A: Fringe Benefits

The following fringe benefits shall be provided to Administrators covered under the Section 1164 of the Public School Code (24 P.S. 11-1164) ("Act 93 Agreement"), effective July 1, 2014, until such time as the term of this Contract expires.

HEALTH INSURANCE

The District will provide the Administrator with a plan consistent with the carrier and coverage provided to the members of the Palmerton Area Education Association for the Administrator and his/her dependents who are not covered under another District health insurance policy.

If the Administrator elects to be covered by some other health plan and the cost is more than the existing District provided coverage, the Administrator will be required to pay the difference in premium between the two plans. If an Administrator who is covered by the District health insurance plan and discontinues that coverage or a new Administrator who does not enroll in the District health insurance plan shall receive an annual bonus payment of \$4,000.00 per year, pro-rated per month. In order to discontinue coverage, the Administrator must notify the Business Office by the 15th day of the month. The effective date of discontinuance for this benefit will be the first of the month following proper notification to the Business Office. Any Administrator who discontinues this coverage may enroll/re-enroll in accordance with the policy of the existing health insurance carrier.

The Administrator shall contribute, through twenty-six (26) annual biweekly payroll deductions, the following medical insurance premium sharing as follows:

Single	\$22.50
Employee & Spouse/Parent & Child	\$32.50
Family/Parent & Children	\$40.00

The Administrator shall contribute at time of service the following co-pays:

Primary Care Physician	\$15.00
Specialist	\$25.00
Urgent Care	\$50.00
Emergency Room	\$50.00 (Waived if Admitted)

The Administrator shall be responsible for the following yearly deductible:

	In-Network	
Individual		\$200.00 (Maximum out-of-pocket)
Family		\$400.00 (Maximum out-of-pocket)
	Out-Of-Network	
Individual		\$600.00 (Maximum out-of-pocket)
Family		\$1200.00 (Maximum out-of-pocket)

DRUG PRESCRIPTION PLAN

The District shall provide the Administrator, spouse and dependent children with family prescription coverage as follows:

Generic	\$10.00 per prescription
Formulary	\$20.00 per prescription
Non-formulary	\$35.00 per prescription
90 Day Mail in Prescriptions are double the above numbers	

VISION

The District shall provide the Administrator, spouse and dependent children with a maximum reimbursement of \$1,000 per year per family, for vision care related expenses actually incurred upon presentation and approval of appropriate paid receipts.

DENTAL

The District will provide dental insurance for the Administrator, spouse and dependent children consistent with the carrier and coverage provided to the members of the Palmerton Area Education Association.

MILEAGE EXPENSES

Administrators, who drive their personal vehicles on business for the District, a distance of more than ten (10) miles, round trip, from their respective buildings, shall submit an account for reimbursement at the prevailing IRS mileage rate.

PROFESSIONAL MEMBERSHIPS

The Administrator shall be entitled to the payment of professional dues for up to three state and/or national associations of which they are a member.

OCCUPATIONAL CREDIT REIMBURSEMENT:

The administrator shall be entitled to 100% reimbursement of the actual cost of tuition for graduate level course work taken at an approved institute of higher learning contingent on a final grade of "B" or better. Course work taken must be approved by the Superintendent and should be related to professional growth.

Reimbursement will be paid upfront upon receipt of a valid invoice from the approved institute. Upon completion of said course a copy of the Administrator's final grades must be submitted. In the event the administrator fails to earn a final grade of "B" or better, said administrator shall reimburse District for the actual cost of tuition advanced by the District.

In the event the Administrator terminates his/her employment, the District shall be entitled to repayment prorated as follows:

Time of course completion and termination of employment	Amount of repayment
- Less than one (1) year	100%
- Greater than or equal to one (1) year but less than two (2) years	66 2/3%
- Greater than or equal to two (2) years but less than three (3) years	33 1/3%
- Greater than or equal to three (3) years	0%

PHYSICAL EXAMINATIONS

Annual individual physical examinations may be part of the selected health insurance plan; if it is not, the Administrator shall be entitled to reimbursement for an annual individual physical with a physician of his/her choice.

EMERGENCY LEAVE

The Superintendent is authorized to grant days of leave without loss of pay for emergency reasons as outlined in Board Policy and Regulations.

SICK LEAVE

The Administrator shall be credited with sick leave days at the rate of one per month. If injured as a result of being assaulted by a student, parent or guardian, or other individual while in the performance of professional duties, up to thirty (30) days of leave for recovery from such injuries shall be granted with no deduction from the Administrator's accumulated sick leave. If an Administrator exhausts his/her current year's sick leave and his/her accumulated sick leave, the Board may pay while he/she is ill full pay per day for a total of forty (40) days for the term of the contract, noncumulative; said pay to begin on the fourth day following the exhaustion of this current and accumulated sick leave.

BEREAVEMENT LEAVE

The Administrator shall be granted bereavement leave with regular pay up to five (5) consecutive workdays in the event of the death of the Administrator's spouse, child\stepchild or parent\stepparent. All other bereavement leaves will be in accordance with the provisions of the Public School Code of Pennsylvania.

PERSONAL LEAVE

The Administrator shall be granted three (3) personal days, exclusive of all leave days provided by law, for each school year covered under this contract to be used at his/her discretion; however, leave days will not be granted on District run in-service days. Unused leave days in any one year may be carried over to the next year but shall not exceed a total of five (5) days eligibility in any year. In order for three (3) or more leave days to be used consecutively, application to the Superintendent must be made at least thirty (30) calendar days in advance. Application for one (1) or two (2) leave days shall be made at least five (5) work days in advance. At the end of each year, any unused personal days will be added to the Administrator's accumulated sick leave total. In the case of personal emergency, the Superintendent may waive the five (5) day advance requirement.

JURY DUTY

The Administrator shall be granted jury duty in accordance with Board Policy.

HOLIDAYS

The Administrator shall be entitled to the following paid holidays so long as they do not conflict with regular school operations, programs and/or responsibilities: Memorial Day, Independence Day, Labor Day, Thanksgiving, Day after Thanksgiving, Day before Christmas Day, Christmas Day, New Year's Day, Day before or after New Year's Day, President's Day, Good Friday, Easter Monday. Additional holidays may be granted at the discretion of the Superintendent. (The Holidays will be the same as those granted to the Palmerton Area Education Association and will include Independence Day and Labor Day, should the school calendar change.)

VACATION

With the exception of Group Two, the School Psychologist(s), the Administrator shall be granted two (2) vacation days per each month of employment for a total of up to twenty-four (24) days of vacation for each year. The School Psychologist(s) shall not be entitled to nor granted any vacation days. The vacation days granted hereunder are not cumulative and must be taken between July 1 of the school year they are earned and September 30 of the following year. (A period of fifteen (15) months). However, a maximum of twenty-four (24) days per year of any unused vacation time may be accumulated to secure additional medical insurance, if offered, at the time of retirement. A maximum of 5 vacation days will be paid out at the per diem rate. The request must be done in writing and received by the Superintendent prior to the end of the school year.

LIFE INSURANCE

The district shall provide the Administrator with a life insurance policy having a value of twice the Administrators annual salary payable in the event of the Administrator death during the term of this contract. The Administrator shall have the sole discretion in determining the beneficiary of his life insurance policy.

DISABILITY INSURANCE

The District shall provide the Administrator with a maximum reimbursement of five hundred dollars (\$500.00) per year towards the purchase of disability insurance. This benefit will be paid upon presentation and approval of appropriate paid receipts.

RETIREMENT

Retirement Incentive Plan:

An Administrator becomes eligible for this Retirement Program after: 1) 30 years of PSERS Service and they have reached their 10th year at PASD or greater. 2) Notice of Administrator's intent to retire must be received by April 1, of his/her year of retirement will be eligible for \$5,000.00 at time of retirement.

Use of Accumulated Sick Days upon Retirement

Upon the Administrators retirement with a minimum of 10 years of service to Palmerton Area School District and notice to the Board, if the Administrator has unused sick days, which have not been utilized to obtain health insurance pursuant to the provisions below, he/she shall receive a payment for all unused sick days accrued during his service to the District at a rate of \$50/day. Such payment shall only be payable at the time of retirement (in accordance with PSERS guidelines), and shall be based on unused sick days credited on the day of retirement. This benefit shall be paid in the form of a non-elective employer 403(b) contribution and the Administrator 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. Accumulated unused sick days compensation shall not be paid to the Administrators estate or beneficiaries in the event of death prior to retirement.

Health Insurance

The Administrator shall be eligible for the following health insurance benefits upon retirement (retirement being defined by the Pennsylvania School Employees Retirement Board):

If at the time of retirement the Administrator has accumulated at least 100 days of unused sick leave, the District will provide one (1) year of health insurance which is in effect at that time.

If at the time of retirement the Administrator has accumulated at least 150 days of unused sick leave, the District will provide two (2) years of health insurance which is in effect at that time.

If at the time of retirement the Administrator has accumulated 200 days of unused sick leave, the District will provide three (3) years of health insurance which is in effect at that time.

To be eligible for this benefit the Administrator must enroll the first of the month following the date of retirement.

Regardless of the actual amount of sick days accumulated, this benefit shall only be available to the Administrator and dependents who are ineligible for Medicare benefits.

If the Administrator is eligible for this benefit, he/she will be provided the same coverage (i.e. individual, eligible dependent) which is in effect at the time of retirement and with the District carrier which is in effect each benefit year.

If the Administrator retires prior to eligibility for Medicare, he/she may continue to be a member of the District health plan as long as he/she reimburses the District for any premiums, plus a two percent (2%) administration fee, subject to the regulations of the insurance carrier which may be in effect from time to time during the term of this compensation plan or any renewals or modifications thereof.

The provisions of this section shall be subject to modifications required by related rules and regulations of Social Security, Medicare, Affordable Care Act and the insurance carrier.

SURVIVING SPOUSE BENEFITS

In the event the Administrator shall die while employed by the District, and if enrolled in the District's health and/or dental coverage at the time of death, his/her surviving spouse shall be entitled to purchase continuing coverage under the following conditions:

The surviving spouse, who is eligible, must purchase the entire package set forth above, except that dental may be purchased separately.

The surviving spouse, who is eligible, will be provided with the same coverage (i.e. dependent, individual) which is in effect at the time of the Administrator's death.

The surviving spouse, who is eligible, must enroll within forty-five (45) days following the date of the Administrator's death.

Once enrolled, the surviving spouse must remain enrolled until coverage is terminated.

Coverage will terminate if the surviving spouse:

Remarries; or

Reaches age 65; or

Is eligible for Medicare; or

Drops enrollment; or

Is eligible for comparable (substantially similar) coverage elsewhere.

Termination of coverage for whatever reason will occur on the first day of the month following the event causing termination.

The provisions of the section shall be subject to modifications caused by rules and regulations related to social security, Medicare, Affordable Care Act and the insurance carrier, and subject to approval of the carriers.

SALARY DEPOSIT

Each Administrator will have his/her salary deposited in a bank of his/her choice by electronic deposit.