

6/30/97

**MASTER AGREEMENT**

between the

**CARROLLTON BOARD OF EDUCATION**

and the

**ADMINISTRATOR'S ASSOCIATION OF CARROLLTON**

1993-<sup>97</sup>~~96~~

*Carrollton Public Schools*



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MASTER AGREEMENT  
between the  
CARROLLTON BOARD OF EDUCATION  
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ADMINISTRATOR'S ASSOCIATION OF CARROLLTON

1993-96

The Board, the central administration and the Administrators' Association of Carrollton (AAC) will work in concert as a management team. In matters of policy formulation; administrative decision making; planning and operating the school district; the transfer of administrators; the Association will be meaningfully involved. Past practice will be followed in all matters not addressed in this contract.

- I. The Administrators' Association of Carrollton is the exclusive bargaining representative for middle management; the principal, assistant principal, directors, and any other full or part time administration positions in the Carrollton Public Schools.
- II. Individual Administrator's Contracts (as set forth in Appendix I) shall be issued by May 1 and shall become effective as of July 1 of each year. An administrator, who has completed a probationary period not to exceed two (2) years, will be given a contract renewal each year unless the Board gives written notice to an administrator at least ninety (90) days prior to the termination of the Individual Contract of Employment that it is considering non-renewal and the reasons therefore, and has afforded the administrator the opportunity to meet with the Board. The one (1) year contract renewal shall not contravene nor deny any administrator their professional educational rights under the laws of the State of Michigan. It is understood that a third party arbitrator (from the American Arbitrator Association, for example) may be utilized by either party in the event of a non-renewal of an administrator's contract to act as a final decision except a case dealing with lay-off for financial reasons.

In the event the Board determines to reduce the size of the administrative staff for financial reasons, administrators are subject to lay-off during the term of their Individual Contracts of Employment upon 180 days written notice in advance of the effective date of lay-off. Lay-off shall be in accordance with Appendix III, Item M.

- III. Salaries of administrators, covered by this agreement, shall be based upon the salary schedule as set forth in Appendix II. Administrators' salaries shall be no less than the previous contract year for the same number of weeks of work, unless agreed to by both parties of this agreement.
- IV. The Board of Education agrees to provide the following benefits (see Appendix III). Benefits shall be no less than the previous contract year, unless agreed to by both parties of this agreement.
- V. Time of vacation is to be mutually agreed upon by the superintendent and individual administrator based upon a fifty-two (52) week contract year.
- a. Each full year AAC member employed on June 1, 1993 shall be deemed to have 20 regular vacation days for 1993-94 which were awarded on July 1, 1993 and are available for use until two (2) weeks before the beginning of school 1994. In future years, vacation days from the previous year shall be used at least two (2) weeks before the first student day in the Fall or they shall be lost.
  - b. Vacation days are credited on July 1 of each contract year and shall be considered to be earned at a rate of 1.67 days per month worked. If an individual leaves the employment of the Carrollton Public Schools, having worked less than a full year, the number of vacation days available shall be computed by multiplying the number of months worked in that contract year by 1.67. For example: if an individual left at the end of September, the individual would have earned five (5) days of vacation (3 months times 1.67).
  - c. The Board may either choose to pay an individual a lump sum payment for any unused vacation days when the employee terminates employment with the District or may have the individual use the vacation days earned prior to the termination date. Included in the ways in which an individual could terminate employment are resignation, retirement, dismissal by the District, or death.
- VI. The means of evaluation and its procedure shall be mutually agreed upon between the AAC and the superintendent. Administrator evaluation will be conducted annually. Administrators, in the first year of their assignment, will be evaluated semi-annually.
- VII. Administrators shall be accorded due process in all matters and will not be dealt with in an arbitrary or capricious manner.

VIII. Grievance Procedure

a. Definition of a grievance: A concern by an administrator dealing with his/her terms and conditions of employment.

b. Procedure

Step One

An Administrator, who feels that he/she has a grievance, shall first take up the matter with his/her immediate superior within ten (10) work days from the date that the administrator became aware of the act or condition which he/she feels is the basis for his/her grievance.

Step Two

If the matter is not resolved, the administrator shall reduce the grievance to writing. The written grievance will be presented, within fifteen (15) work days, to the Board of Education or its designee. The Board or its designee will meet with the grievant and/or his/her representative within fifteen (15) work days of receipt of the written grievance for the purpose of arriving at a mutually acceptable solution to the problem. Within five (5) work days of this meeting, the grievant will be given written notification of the disposition of the grievance.

Step Three

If the AAC is not satisfied by the disposition of the case in Step Two, then the parties will mutually agree upon an impartial arbitrator within five (5) work days or else submit the grievance for arbitration to the American Arbitration Association in accordance with its rules and regulations which shall likewise govern the arbitration proceeding.

The Board and the AAC shall not be permitted to assert, in such arbitration proceeding, any ground or to rely on any evidence not previously disclosed to the other party. Past practice may be used as evidence. The fees and expenses of the arbitrator shall be paid equally by the parties involved when the grievance is determined by the arbitrator. Each party shall pay the expenses it incurs for such arbitration.

c. Any party involved may be represented at all meetings and hearings by another person provided, however, that an administrator may, in no event, be represented by an officer or agent of any other organization.

- d. During the proceedings, and until final determination has been reached, all proceedings shall be private and any preliminary disposition will not be made public without consent of both parties.
- e. It is specifically understood that the grievance procedure contained herein requires the advocacy of the Administrators' Association of Carrollton beyond Step One.

APPENDIX I-A  
CARROLLTON PUBLIC SCHOOLS  
ADMINISTRATIVE CONTRACT-FULL YEAR

THIS AGREEMENT, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, between the Carrollton Board of Education, hereinafter called "Board" and \_\_\_\_\_ hereinafter called "Administrator".

WITNESSETH:

1. The Board agrees to employ this Administrator for the term of 2 year(s) from \_\_\_\_\_ and including \_\_\_\_\_.
2. The Administrator hereby accepts said employment for said term and represents to the Board that he/she is certified and qualified under the laws of the State of Michigan to act as \_\_\_\_\_.
3. Vacation is to be twenty (20) days per year.
4. The Board agrees to pay the Administrator for his/her services during each year of said contract in 26 equal installments. Compensation for the \_\_\_\_\_ contract year shall be \$\_\_\_\_\_. The salary and benefits of the Administrator for succeeding years shall be in accordance with the Administrators' Association of Carrollton's Master Agreement.
5. Leave privileges, insurance, and fringe benefits shall be according to the Master Agreement.
6. This contract shall be renewed for an additional one (1) year unless the Board gives written notice as according to the provisions of the Master Agreement. This contract is subject to the terms of the Master Agreement between the Board of Education and the Administrators' Association of Carrollton including the lay-off provisions thereof.
7. It is mutually understood and agreed that this contract accords an Administrator due process as according to the laws of the State of Michigan although tenure as an administrator is specifically denied.
8. In the event a breach on the part of either party to this Agreement, nothing contained herein shall be considered to render the obligations to either party, under this Agreement, null and void.

IN WITNESS WHEREOF, the parties hereto have set their hands this day and year above written.

BOARD OR ITS DESIGNEE:

ADMINISTRATOR:

BY: \_\_\_\_\_

\_\_\_\_\_

(Revised 6/22/90)



APPENDIX I-B  
CARROLLTON PUBLIC SCHOOLS  
ADMINISTRATIVE CONTRACT-SCHOOL YEAR

THIS AGREEMENT, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, between the Carrollton Board of Education, hereinafter called "Board" and \_\_\_\_\_ hereinafter called "Administrator".

WITNESSETH:

1. The Board agrees to employ this Administrator for the term of \_\_\_\_\_ year(s) from \_\_\_\_\_ and including \_\_\_\_\_.
2. The Administrator hereby accepts said employment for said term and represents to the Board that he/she is certified and qualified under the laws of the State of Michigan to act as \_\_\_\_\_.
3. The \_\_\_\_\_ will work \_\_\_\_\_ days as scheduled by the Building Principal and Assistant Superintendent. No Holidays or Vacation Days are provided.
4. The Board agrees to pay the Administrator for his/her services during each year of said contract in 26 equal installments. Compensation for the \_\_\_\_\_ contract year shall be \$\_\_\_\_\_. the salary and benefits of the Administrator for succeeding year shall be in accordance with the Master Agreement of the Administrators' Association of Carrollton.
5. Leave privileges, insurance, and fringe benefits shall be according to the Master Agreement.
6. This contract shall be renewed for an additional one (1) year unless the Board gives written notice as according to the provisions of the Master Agreement. This contract is subject to the terms of the Master Agreement between the Board of Education and the Administrators' Association of Carrollton including the lay-off provisions thereof.
7. It is mutually understood and agreed that this contract accords in Administrator due process as according to the laws of the State of Michigan although tenure as an administrator is specifically denied.
8. In the event a breach on the part of either party to this Agreement, nothing contained herein shall be considered to render the obligations to either party, under this Agreement, null and void.

IN WITNESS WHEREOF the parties hereto have set their hands this day and year above written.

BOARD OR ITS DESIGNEE:

ADMINISTRATOR:

\_\_\_\_\_  
\_\_\_\_\_  
(Revised 6/22/90)

\_\_\_\_\_  
\_\_\_\_\_

## APPENDIX II

### ADMINISTRATIVE SALARY COMPENSATION

The Administrative salary Compensation Program herein outlined is designed to accomplish the following points:

1. Recognize that as an administrative employee, he/she shall be reimbursed for his/her particular assignment.
2. Recognize that basic salaries may need to change annually.
3. Recognize experience as an important variable in compensation.
4. Recognize the broad administrative categories to be that of Principal, Assistant Principal, Director.

The Athletic Director shall be paid an additional 15% of his salary (base, longevity) if assigned to a member of this bargaining unit. Administrators reassigned, within the bargaining unit, shall not be reduced in compensation.

In the event that the Board redesigns or expands administrative positions in the Carrollton Public Schools, the Board shall bargain the differential with the AAC.

Seniority shall be defined as the length of time, in years, that an individual was employed as a full time administrator with the Carrollton Public Schools. Administrators in the bargaining unit, since its inception, will have seniority from their first date as an administrator. Administrators, entering the bargaining unit since the inception of the AAC will have seniority during that time that they were a member of the administrators' collective bargaining unit. A laid-off administrator shall continue to accrue seniority as if he/she had been employed. Such seniority shall be awarded only if and when the individual returns from lay-off.

Administrative lay-offs shall be based upon the number of years of administrative seniority as defined above. The administrator with the least amount of seniority shall be the first to be laid-off. The administrator with the most amount of seniority shall be the first administrator to be recalled, provided that he/she is qualified for the position, as determined by the Board and certified under the laws and rules of the State of Michigan, as applicable.

If an administrator is laid-off by the Board of Education for financial reasons, he/she shall be permitted, if able, to retire with benefits.

For the duration of this contract, all administrators currently employed when this contract is signed will remain at their current step and placement on the salary schedule.

Transfers, re-assignments, and newly hired administrators will be placed on the salary schedule by mutual agreement of the AAC and the Administration of the Carrollton Public Schools.

An Administrator's placement on the salary schedule may be adjusted upward by mutual agreement of the superintendent and the President of the AAC or their designee's.

1993-94 FISCAL YEAR YEAR SALARY SCHEDULE FOR A.A.C

ADMIN DAYS = 231.00  
 ADMIN PER DIEM= 223.29  
 PERCENT INCR = .03

	"MA"	"MA+30"	"MA+60"	"ED.S."	"PHD/EDD"
STEPS: 0	51,579	52,738	53,317	53,897	54,708
1	52,095	53,254	53,833	54,412	55,223
2	52,611	53,770	54,349	54,928	55,739
3	53,127	54,285	54,865	55,444	56,255
4	53,643	54,801	55,380	55,960	56,771
5	54,158	55,317	55,896	56,476	57,287
6	54,674	55,833	56,412	56,991	57,802
7	55,190	56,349	56,928	57,507	58,318
8	55,706	56,864	57,444	58,023	58,834
9	56,222	57,380	57,959	58,539	59,350
10	56,737	57,896	58,475	59,055	59,866
11	57,253	58,412	58,991	59,570	60,381
12	57,769	58,928	59,507	60,086	60,897
13	58,285	59,443	60,023	60,602	61,413
14	58,800	59,959	60,538	61,118	61,929
15	59,316	60,475	61,054	61,633	62,445
16	59,832	60,991	61,570	62,149	62,960
17	60,348	61,506	62,086	62,665	63,476
18	60,864	62,022	62,602	63,181	63,992
19	61,379	62,538	63,117	63,697	64,508
20	61,895	63,054	63,633	64,212	65,023
21	62,411	63,570	64,149	64,728	65,539

THE STEP PLACEMENT SHALL BE DETERMINED BY THE BOARD OF EDUCATION.  
 IN NO CASE SHALL STEP PLACEMENT RESULT IN AN ADMINISTRATOR BEING  
 PAID LESS PER DIEM THAN THE M.A.-MAX OF THE CEA SCHEDULE.  
 IN NO CASE SHALL STEP PLACEMENT RESULT IN AN ADMINISTRATOR BEING  
 PAID LESS PER DIEM THAN FOR THE PREVIOUS YEAR.  
 WE RECOGNIZE THE POSSIBILITY OF EITHER MULTIPLE STEP INCREASES BETWEEN  
 YEARS OR STAYING AT A GIVEN STEP INDEFINATELY.  
 THE RANGE FOR ELEMENTARY PRINCIPALS, ASSISTANT PRINCIPALS OR DIRECTORS  
 SHALL BE STEPS 1 TO 8.  
 THE RANGE FOR THE MIDDLE SCHOOL PRINCIPAL SHALL BE STEPS 4 TO 15.  
 THE RANGE FOR THE HIGH SCHOOL PRINCIPAL SHALL BE STEPS 8 TO 21.

1994-95 FISCAL YEAR YEAR SALARY SCHEDULE FOR A.A.C

ADMIN DAYS = 231.00  
 ADMIN PER DIEM= 229.99  
 PERCENT INCR = .03

	"MA"	"MA+30"	"MA+60"	"ED.S."	"PHD/EDD"
STEPS: 0	53,127	54,320	54,917	55,513	56,349
1	53,658	54,851	55,448	56,045	56,880
2	54,189	55,383	55,979	56,576	57,411
3	54,721	55,914	56,511	57,107	57,943
4	55,252	56,445	57,042	57,639	58,474
5	55,783	56,976	57,573	58,170	59,005
6	56,314	57,508	58,104	58,701	59,536
7	56,846	58,039	58,636	59,232	60,068
8	57,377	58,570	59,167	59,764	60,599
9	57,908	59,102	59,698	60,295	61,130
10	58,439	59,633	60,229	60,826	61,662
11	58,971	60,164	60,761	61,357	62,193
12	59,502	60,695	61,292	61,889	62,724
13	60,033	61,227	61,823	62,420	63,255
14	60,564	61,758	62,355	62,951	63,787
15	61,096	62,289	62,886	63,482	64,318
16	61,627	62,820	63,417	64,014	64,849
17	62,158	63,352	63,948	64,545	65,380
18	62,690	63,883	64,480	65,076	65,912
19	63,221	64,414	65,011	65,608	66,443
20	63,752	64,945	65,542	66,139	66,974
21	64,283	65,477	66,073	66,670	67,505

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 THE RANGE FOR THE HIGH SCHOOL PRINCIPAL SHALL BE STEPS 8 TO 21.

1995-96 FISCAL YEAR YEAR SALARY SCHEDULE FOR A.A.C  
 ADMIN DAYS = 231.00  
 ADMIN PER DIEM= 236.89  
 PERCENT INCR = .03

	"MA"	"MA+30"	"MA+60"	"ED.S."	"PHD/EDD"
STEPS: 0	54,721	55,950	56,564	57,179	58,039
1	55,268	56,497	57,112	57,726	58,587
2	55,815	57,044	57,659	58,273	59,134
3	56,362	57,591	58,206	58,821	59,681
4	56,909	58,139	58,753	59,368	60,228
5	57,457	58,686	59,300	59,915	60,775
6	58,004	59,233	59,848	60,462	61,323
7	58,551	59,780	60,395	61,009	61,870
8	59,098	60,327	60,942	61,557	62,417
9	59,645	60,875	61,489	62,104	62,964
10	60,193	61,422	62,036	62,651	63,511
11	60,740	61,969	62,584	63,198	64,059
12	61,287	62,516	63,131	63,745	64,606
13	61,834	63,063	63,678	64,293	65,153
14	61,170	63,611	64,225	64,840	65,700
15	61,096	64,158	64,772	65,387	66,247
16	61,627	64,705	65,320	65,934	66,795
17	62,158	65,252	65,867	66,481	67,342
18	64,570	65,799	66,414	67,029	67,889
19	65,117	66,347	66,961	67,576	68,436
20	65,665	66,894	67,508	68,123	68,983
21	66,212	67,441	68,056	68,670	69,531

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 THE RANGE FOR THE HIGH SCHOOL PRINCIPAL SHALL BE STEPS 8 TO 21.

1996-97 FISCAL YEAR YEAR SALARY SCHEDULE FOR A.A.C

ADMIN DAYS = 231.00  
 ADMIN PER DIEM= 243.99  
 PERCENT INCR = .03

STEPS:	"MA"	"MA+30"	"MA+60"	"ED.S."	"PHD/EDD"
0	56,362	57,628	58,261	58,894	59,780
1	56,926	58,192	58,825	59,458	60,344
2	58,053	58,755	59,388	60,021	60,908
3	58,617	59,319	59,952	60,585	61,471
4	59,180	59,883	60,516	61,149	62,035
5	59,744	60,446	61,079	61,712	62,599
6	60,308	61,010	61,643	62,276	63,162
7	60,308	61,574	62,207	62,840	63,726
8	60,871	62,137	62,770	63,403	64,289
9	61,435	62,701	63,334	63,967	64,853
10	61,998	63,264	63,897	64,530	65,417
11	62,562	63,828	64,461	65,094	65,980
12	63,126	64,392	65,025	65,658	66,544
13	63,689	64,955	65,588	66,221	67,108
14	63,005	65,519	66,152	66,785	67,671
15	62,929	66,083	66,716	67,349	68,235
16	63,476	66,646	67,279	67,912	68,798
17	64,023	67,210	67,843	68,476	69,362
18	66,507	67,773	68,406	69,039	69,926
19	67,071	68,337	68,970	69,603	70,489
20	67,635	68,901	69,534	70,167	71,053
21	68,198	69,464	70,097	70,730	71,617

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APPENDIX III

FRINGE BENEFITS

- A. Full-family coverage of Blue Cross/Blue Shield of Michigan comprehensive, semi-private, KMFV-2, Master Medical Hospital Surgical insurance with \$2.00 co-pay prescription drug plus riders FAE-RC, VST, AS1, PRS, or its equal. Any increase in premium above 112 percent of the previous year will be the responsibility of the administrator. The amounts are set forth below.

	Single	2 Party	Full Family
93-94	\$2578	\$4723	\$5934
94-95	\$2888	\$5290	\$6646
95-96	\$3235	\$5925	\$7444
96-97	\$3623	\$6636	\$8337

The Board of Education agrees to provide a Section 125 (Cafeteria Plan) for all Members of the AAC. The plan will be mutually agreed upon on a yearly basis.

In lieu of not taking Health, Vision and Dental insurance benefits from the employer, the employer agrees to split the cost of the benefits on a 50/50 basis so that the employee can use the funds in a section 125 plan.

Either the Board of Education or the AAC have the option of bidding out the current specifications for the Health coverage through the adoption of a 125 Flexible Benefit Plan. (Cafeteria Plan)

- B. Fully paid, full dental plan "E" Delta Plan of Michigan (90% for every classification) or its equal.
- C. Life insurance coverage not to exceed the current bid cost with A.D. & D. and waiver of premium in the amount of \$50,000. Specific policy to be agreed upon by the Administrators' Association of Carrollton and the superintendent each year. An administrator is allowed to buy additional life insurance at the group rate, if the Provider will permit.
- D. The Board shall provide a TSA in the amount of \$2,000 each year. The carrier for the TSA shall be selected from the approved list of companies.
- E. Sick leave accumulation at one (1) day per month.
- F. Sabbatical leave, under the following conditions:
1. The administrator must have been employed by Carrollton Public Schools, as an administrator, for a minimum of five (5) years.
  2. The administrator must work for the Carrollton Schools for at least one (1) year after the leave unless prevented by reasons of personal health or reimbursement to the district of all expenses incurred by the district while on sabbatical leave.



3. No more than one (1) administrator shall be eligible each year.
  4. Sabbatical leaves must be approved by the superintendent of schools. Applications for such leaves, beginning in September, must be filed not later than the preceding January. Second semester applications must be made by the preceding September.
  5. Administrators returning from a sabbatical leave shall be restored to their former position.
  6. Compensation shall be as follows:
    - a. One (1) semester leave = one-half pay plus fringes.
    - b. Full year leave = one-half pay plus fringes.
  7. Full employment by the recipient of sabbatical leave shall be prohibited. This does not, however, preclude the recipient from accepting grants, fellowships, or remunerations for part-time work of any sort which does not interfere with the sabbatical plan.
- G. Payroll deductions, for a credit union of the Administrator's choice, shall be allowed.
- H. The Board shall pay full salary and benefits for any member selected for jury duty.
- I. The Board shall provide income protection for Long Term Disability with no more than thirty (30) days waiting period for accident and illness. The Long term disability plan shall include rights to survivor and a cost of living benefit.
- J. Carrollton Board of Education will pay the 5% employee share to the Michigan Retirement Fund.
- K. Eye exam and optical services benefit shall be a minimum of \$50.00 per exam and per optical aid per benefit year. \*Eye exam and optical service insurance shall be at least equal to all other employee groups.
- L. Provision for seniority in classroom administrators:

Every administrator, who has satisfactorily completed the probationary period under the Michigan Tenure Act, shall have tenure as a teacher in the Carrollton Public Schools. Any necessary reduction of administrative personnel shall mean the administrator so affected will be reassigned to a teaching or administrative position, if requested, when said assignment is not in conflict with any relevant laws or other legal documents. any such necessary reassignment of administrative position shall not contravene the administrator's right to his/her contractual salary for the period of his/her current contracts. Administrative lay-offs and recalls shall be by years of administrative seniority in this district where qualified and certified. See Appendix II.

M. Longevity:

After an administrator has been employed as an administrator in the Carrollton Public Schools for a period of seven (7) years, they shall be eligible for longevity.

Administrators, eligible for this benefit, are those administrators under individual administrative contract for the 1985-86 school year.

1. An administrator may choose to delay placement on the longevity step until the contract year of their choice.
  2. Once placed on longevity by having submitted an irrevocable letter of resignation or retirement, the administrator shall receive three equal years of longevity payment to be added to the contract rate.
  3. The longevity rate shall be determined on a sliding scale beginning at \$10,000 and decreasing to \$0.
  4. The administrator shall receive the maximum amount only when they are eligible and choose to be placed on the scale on or prior to their 53rd birthday. The rate in "Section 3" will be reduced by \$1,000 for every year after the 53rd birthday until the rate is zero.
  5. Once an administrator chooses to be placed on longevity, they may not change the process.
  6. An administrator may choose to take longevity in an alternative manner mutually agreed upon between the superintendent and the individual administrator.
- N. Payment of \$200 per administrator for automobile insurance annually.
- O. Each administrator shall be reimbursed \$25.00 per month for local travel and mileage within a 50 mile radius.
- P. Leave privileges, insurance and fringe benefits shall be according to the terms of the Master Agreement and in no case less than those provided other employees.
- Q. Any administrator, that the Board determines must be laid-off for financial reasons and is unemployed by this or any affiliate school district by the beginning of the coming school year, shall be compensated with a lump sum payment of \$3,000.

R. The Board of Education agrees to make every effort, up to and through a third party process, to provide a classroom teaching position for laid-off administrators in this school district. The Board, when entering into mergers or reorganizations, shall make every effort to provide continued employment in any other position for which the laid-off administrator is certified or qualified as the result of said merger or reorganization.

S. Each building shall be allowed up to \$500 per year for professional improvement including but not limited to State and National professional conventions.

T. Sick leave pay, upon retirement for administrators, shall be calculated at the rate of \$50.00 per day for unused sick leave the administrator has accumulated. In no case shall the Board pay for more than 162 days.

U. Holidays:

The following paid holidays are granted to all members of the Administrators' Association of Carrollton.

July 4, Labor Day, Thanksgiving and the Friday after Thanksgiving, Christmas Eve, Christmas Day, New Years Eve, New Years Day, Good Friday, and Memorial Day.

When any of these holidays fall on a weekend, alternative "substitute" days, to replace these holidays, will be mutually agreed upon.

These appendices and Master Agreement shall be effective as of July 1, 1993 and shall continue until June 30, 1997.

This is the complete agreement between the parties and replaces, in every respect, any other agreement between the parties.

CARROLLTON BOARD OF EDUCATION ADMINISTRATORS' ASSOCIATION OF CARROLLTON

Date: 9/10/93  
[Signature]  
(Signature)  
President  
(Title)

Date: 9/10/93  
[Signature]  
(Signature)  
PRESIDENT (AAC)  
(Title)

[Signature]  
(Signature)  
Secretary  
(Title)

[Signature]  
(Signature)  
Director  
(Title)

# The Carrollton Public Schools Administrators' Cafeteria Plan

## Summary Plan Description

### 1.) Introduction

Carrollton Public Schools has adopted a new cafeteria plan which allows you to pay for certain expenses with pre-tax dollars. In other words, certain expenses (such as medical and dependent care) that you would normally have to pay with wages that have already been taxed can now be paid for with pre-tax dollars.

### 2.) How the plan works.

To enroll in the plan, you simply complete and sign a form which your employer will hand out. The form allows you to set aside a certain amount of money each pay period which you use to purchase benefits.

The money is held in an account for you. When you pay for an expense covered under the plan, such as medical or day care expenses, you can be reimbursed for those expenses each month. Therefore, you are paying for these expenses with pre-tax dollars!

You can also pay for Additional Group Term Life, Dependent and Spouse Group Term Life and Short Term Disability insurance coverage on a pre-tax basis.

Example: Each biweekly pay period, Fred elects to put \$50.00 into the dependent care option, for an annual total of \$1,300. He pays his day care provider \$1,300.00 per year for day care services. Each month, Fred submits a claim to the employer for the amount spent on day care and is reimbursed with pre-tax dollars. Fred's savings are as follows:

	Without Plan	With Plan
Day Care Expenses:	\$1,300	\$1,300
Taxes on wages used to pay Day Care Expenses:	\$372	\$0

Fred's Savings under the Plan are \$372.

*Note: Electing to participate under the day care option may reduce your dependent care credit on your tax return.*

### 3.) Available Benefits

You may enroll in up to six (6) different options under the plan. The options are listed below.

1. Additional compensation *Note:* This is taxable income to the participant
2. Additional Group Term Life Insurance
3. Dependent and Spouse Group Term Life Insurance
4. Short Term Disability Insurance
5. Medical, Dental, Vision Reimbursement Option You may choose to have medical expenses not covered under your health insurance (such as deductibles and co-payments) reimbursed to you.
6. Dependent Care Option You may choose to have your day care expenses reimbursed to you.

### 4.) Participation in the plan.

Any employee may elect to participate in the plan beginning on the first day of the month 60 days after his or her date of hire.

**5.) Amount of money that can be put in the plan.**

The following are the amounts that can be put into the cafeteria plan:

Any Group Insurance Option: You must contribute the amount of the required premium per the premium schedule which will be distributed prior to each enrollment period.

Dependent Care Reimbursement Option: You may contribute a maximum of \$5,000 annually to the Dependent Care Reimbursement Option.

Medical, Dental, Vision Reimbursement Option. You may contribute up to \$2,000 annually to the Medical, Dental, Vision Reimbursement Option

*CAUTION: Amounts that are put into the plan, but not reimbursed by 90 days after the end of the plan year, are forfeited.*

**6.) Changing your elections under the plan.**

Each year, you will be given the opportunity to change the amount of money you put into the plan. During the year, however, you may not generally change your elections.

However, if you have a change in your family circumstances, you may be able to change the amount of money you are putting in. A change in family circumstances would include getting married or divorced, your spouse losing his or her job, or the adoption, birth, or death of a dependent.

**7.) Ending participation before the end of the plan year.**

If you end participation in this plan by either separation from service or failing to make the required contributions, you may not rejoin the plan until the following plan year.

If you separate from service before the end of the plan year, you may continue to participate in the plan until the end of the plan year, provided you continue to make the required contributions to the plan.

**8.) Medical expenses qualifying for reimbursement.**

You may generally be reimbursed for the same types of medical expenses which may be deducted on your tax return. Example of such expenses include:

- deductibles and/or co-payments
- eyeglasses and contact lenses
- chemical dependency programs
- medically related transportation
- prescription drugs
- ambulance services
- dental and orthodontist expenses
- mental and nervous disorders
- physician-directed weight loss and stop smoking programs
- hearing aids
- chiropractic services

*NOTE: Elective cosmetic surgery is not a reimbursable expense.*

### 9.) Procedures for reimbursement of Medical, Dental, Vision expenses.

You may only be reimbursed for medical, dental, vision expenses incurred and paid during the plan year. After you pay the expense you must fill out a claim form and attach a receipt from the person or entity providing the service.

You may only submit one claim form per month and include all expenses for the month on that form. You must submit the form to your employer by the 10th of the following month to be reimbursed for that month. Reimbursement checks will be issued by the 20th of each month.

The most you may be reimbursed for is the amount you elected to put into the plan for the plan year. You may not be reimbursed for medical expenses out of any other account, such as your dependent care account.

### 10.) Qualifying day care expenses.

The following rules must be followed for day care expenses to qualify for reimbursement:

- The dependent must be under age 13, or be a person who is physically or mentally incapable of caring for himself,
- The service must occur outside your home,
- If you use a day care center that provides care for more than six (6) individuals, the center must be licensed and comply with the appropriate state and federal regulations,
- if your own child provides day care for other children, the expenses will not qualify unless the child providing the care is at least 19 years of age and you don't claim that child as a dependent, and,
- overnight camps do not qualify as day care providers.

### 11.) Procedures for reimbursement of day care expenses

You must fill out a day care reimbursement form and have it signed by the day care provider to be reimbursed for day care expenses. You may only submit one claim form per month.

You may be reimbursed up to the amount you currently have set aside in your dependent-care account. You may not be reimbursed for dependent-care expenses out of any other account, such as your medical reimbursement account.

### 12.) Tax savings under the cafeteria plan.

Participating in the cafeteria plan could save you a substantial amount in taxes. You do not pay any state, federal, or social security taxes on amounts you put into the plan.

As an example, if you earn \$28,000 per year and choose to put \$1,200 per year into the medical reimbursement option, \$2,400 into the dependent care option, and the required annual premium for your health insurance coverage is \$480. Your savings would be as follows:

	Before Flex	After Flex
Gross Compensation:	\$28,000	\$28,000
Medical Premium:	0	1,200
Medical Reimbursement:	0	480
Child Care Reimbursement:	0	2,400
	-----	-----
Taxable Compensation:	28,000	23,920
Federal Tax:	1,860	1,248
State Tax:	744	499
FICA:	2,142	1,830
Medical Premium:	1,200	0
Medical Expenses:	480	0
Child Care Expenses:	2,400	0
	-----	-----
Net Pay:	<u>\$19,174</u>	<u>\$20,343</u>

Savings to you through the plan.      \$ 1,169

Total savings under the plan would be \$1,169. However, keep in mind that electing to have your day care reimbursed may reduce your dependent care credit on your tax return.

### 13.) Other Plan Information.

#### A. Plan Documents and Financial Reports.

As a participant in the Plan(s) of the employer, you are entitled to certain rights and protection under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

- 1.) Examine, without charge, at the Plan Administrator's office and in other specified locations, all Plan documents, including insurance contracts and copies of all documents filed by the Plan Administrator with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.
- 2.) Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Plan Administrator may charge a reasonable fee for the copies.

3.) Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each Participant with a copy of this summary report.

**B. Plan Fiduciaries and Their Obligations.**

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. These people who operate your Plan, the named fiduciaries herein above stated, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries.

**C. Legal Rights to Benefits.**

Under ERISA, you are entitled to the following rights:

- 1.) No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from exercising your rights under ERISA.
- 2.) If your claim for a benefit is denied in whole or in part, you must receive a written explanation and the reason for the denial. You have the right to have the Plan Administrator review and reconsider your claim.
- 3.) There are steps you can take to enforce the rights set forth above. For instance, if you request materials from the Plan Administrator and do not receive them within thirty (30) days, you may file suit in federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay up to one hundred dollars (\$100) per day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.
- 4.) If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in state or federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these fees if, for example, they find your claim to be frivolous.

**D. Other Questions.**

- 1.) Any other questions you may have about your plan should be addressed to your Plan Administrator.
- 2.) If you have questions about your rights under ERISA, you should contact the nearest area office of the U.S. Labor-Management Services Administration, Department of Labor.

**14.) Administrative Information.**

**A. Type of Plan:** This Plan is commonly known as a Section 125 Cafeteria Plan.

**B. Plan Sponsor:** Carrollton Public Schools

P.O. Box 517

Carrollton, MI 48724

**C. Plan Administrator:** Assistant Superintendent of Carrollton Public Schools



**D. Employee Identification Number:** 38-XXXXXXX

**E.. Ending of Plan Year:** December 31

**F. Discrimination Testing Date:** December 31

**G. Agent for Service of Legal Process:** Assistant Superintendent of Carrollton Public Schools

**H. Type of Funding:** This Plan is funded by elective salary reduction employee contributions.

**I. Type of Administration:** Records are maintained by the Plan Administrator.

**J. Requests for Information .** If you have any questions regarding your benefits, please contact Carrollton Public Schools All requests, appeals, elections, and other communication should be in writing and should be hand delivered or sent by certified mail.

#### **K. Additional Terms and Conditions**

The following additional terms and conditions shall apply to administration of the Plan.

**1.) Information to be Furnished.** Participants shall provide the employer and the Administrator with such information and evidence, and shall sign such documents as may be reasonably requested from time to time for the purpose of administration of the Plan.

**2.) Limitation of Rights.** Neither the establishment of the Plan nor any amendment to the Plan, nor the payment of any benefits, will be construed as giving to any Participant or other person any legal or equitable right against the Employer or Administrator, except as provided in this Plan.

**3.) Revocation of Prior Claims.** All Plans heretofore adopted by the Employer providing benefits similar to those provided herein are hereby revoked.

**4.) Governing Law** To the extent not preempted by ERISA, this Plan shall be construed and administered in accordance with the laws of the State of Minnesota. Any court proceedings or litigation arising out of or pertaining to the Plan shall be venued in State District Court in Crow Wing County.

**5.) Employment Rights** Under no circumstances shall the terms of employment of any Participant be modified or in any way affected hereby. This Plan shall not constitute a contract of employment not afford any individual right to be retained in the employ of the employer.

**6.) Spendthrift Clause** To the extent permitted by law, Participants are prohibited from anticipating, encumbering, alienating or assigning any of their rights , claims or interest in this Plan, and no undertaking or attempt to do so shall in any way bind the Plan Administrator or be of any force or effect whatsoever. Furthermore, to the extent permitted by law, no such rights, claims, or interests of a Participant in this Plan shall in any way be subject to such Participant's debts, contracts or engagements nor to attachment, garnishment, levy or other legal or equitable process. Provided, however, anything to the contrary herein notwithstanding, to the extent permissible by applicable law, a Participant's interest hereunder is subject to all bona fide and existing debts owed by such Participant to the Plan.

**7.) No Guarantee of Non-Taxability** The Plan is designed and is intended to be operated as a "cafeteria plan" under Section 125 of the Internal Revenue Code. The Plan does not prohibit, and indeed contemplates, the payment of taxable benefits under certain options. Nonetheless, neither the Employer nor any Plan Administrator shall in any way be liable for any taxes or other liability incurred by a Participant or anyone claiming through him or her by virtue of participation in this Plan.

8.) **Nondiscrimination** In accordance with Section 125(b)(1) and (2) of the Code, the Plan is intended not to discriminate in favor of Highly Compensated individuals as to eligibility to participate or as to contributions and benefits, nor to provide more than twenty-five (25%) percent of all qualified benefits to Key Employees. If, in the operation of the Plan, more than twenty-five (25%) percent of the total qualified are found to be provided to the Key Employees, or the Plan discriminates in any other manner (or is in danger of so discriminating), then notwithstanding any other provision contained herein, the Plan Administrator shall reduce or adjust such contributions and/or benefits under the Plan as shall be necessary to assure that, in the judgement of the Plan Administrator, the Plan thereafter will not discriminate. All rules, procedures and decisions of the Plan Administrator shall be adopted, made and/or applied in such fashion that they do not discriminate in favor of Highly Compensated Participants and Key Employees.

9.) **Amendment and Termination of the Plan** It is the intention of the Employer to continue benefits under this Plan indefinitely. If, however, for business reasons it becomes necessary, by mutual agreement, this plan may be changed or discontinued at any time.