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Statement of.....

Policy and Responsibility

SUBJECT: SPECIAL PROVISIONS – INSURANCE PROTECTION ARTICLE III

- 3-1. The Board will provide a hospitalization, surgical, surgical assistants, extended coverage, and catastrophic illness insurance program for full-time Teachers. Teachers who complete the contract year will be covered by insurance to September 1. The term "full-time Teachers" as used herein refers to Teachers who work on a continuing basis, thirty hours or more per week and are paid on a monthly basis.

Prorated insurance coverage for employees on a half-time or greater contract will be provided. The District will pay the premium for the percent of the FTE and the employee will pay the difference.

3-2. **Lifetime Insurance**

The Lifetime Insurance benefit (Medicare Supplement) and any associated payout apply to teachers who were placed on contract during the 1991-92 school year or before.

Teachers retiring before June 30, 2006

An eligible teacher retiring on or before July 1, 2006 will have the choice to maintain a Medicare supplement plan for himself/herself and his/her spouse or receive a one-time \$15,091 contribution to their 401K. "Spouse" is defined as the teacher's spouse at the time of retirement. Coverage under the Medicare supplement plan will end for both the teacher and spouse at the death of the teacher.

In order to receive the Medicare supplement plan, a teacher must be age 62 at the time of retirement. A teacher may retire at age 61 and maintain the Medicare supplement benefit by giving up ½ of the early retirement incentive. A teacher may retire at age 60 and maintain the Medicare supplement benefit by giving up 100% of the early retirement incentive. "Age" is defined as the teacher's age on September 30th of the year of retirement.

Teachers retiring after June 30, 2006

An eligible teacher retiring after July 1, 2006 will receive a one-time contribution to his/her 401K plan in the amount of \$15,091. The contribution can be made to the 401K plan at any time once the teacher is eligible for retirement according to the Utah State Retirement System.

On July 1, 2004, the \$15,091 will be allocated to the teacher and the interest added until

such time that the teacher is eligible for retirement. Interest will be added on June 30th of each year based on the average interest rate the District earned from the Public Treasurer's Investment Fund.

When the teacher becomes eligible for retirement, the teacher will request in writing that the District make the contribution to his/her 401K plan. Upon receipt of the request, the District will send \$15,091 and any accumulated interest to the State 401K plan on the teacher's behalf.

Any eligible teacher leaving the District before he/she qualifies for retirement will forfeit his/her right to the \$15,091 and any accumulated interest.

3-3. The Board shall pay the monthly premium of a long term salary protection and waiver of retirement contribution plan as approved by the Board. The long term salary protection program does not apply to Teachers over 65 or having 30 years' experience.

3-3-1. When a Teacher becomes entitled to receive benefits under this program and enters the program, the Teacher's salary shall cease. Nothing in this section should be construed to affect the Teacher's right to sick leave or re-employment during the initial term of disability under the provisions of the agreement. If after an initial period of up to twenty-four months* it is determined that the teacher is unable to return to their regular assignment, rights to sick leave and re-employment will cease.

*MURRAY SCHOOL DISTRICT
1994-95 Long Term Disability Benefits Summary
Page 2 "Maximum Length of Benefit Payments"

This will have no effect on Teachers now under long term assistance.

3-3-2. The District or its insurer shall provide any Teacher who may become eligible for long term disability benefits written notice of the requirements for making application for such benefits at least 45 calendar days before the Teacher becomes eligible for each benefit.

3-4. The Board will provide a \$50,000 term life insurance policy for the employee and a dependent life insurance policy of \$2,000.

3-5. The Board will provide a term life insurance policy for Teachers working beyond age 65. After age 65, a reduced term life insurance policy will be in effect.