

HAMPDEN-WILBRAHAM REGIONAL SCHOOL DISTRICT
RETIRED TEACHERS' HEALTH & WELFARE FUND AGREEMENT

This Agreement, dated the 11 day of MARCH, 2016 embodies certain agreements reached between the Hampden-Wilbraham Regional School District (hereinafter referred to as the "District") and the Hampden-Wilbraham Education Association (the "Association") acting for the benefit of the Retired Teachers (hereinafter "the Retirees") for the purpose of providing certain health plan benefit reimbursements and/or contribution payments. The parties to this Agreement are the District, and the Association for the limited purposes specified herein, and it is the intent of the parties that this Agreement shall serve as an Agreement, among other things, to authorize the creation and establishment of a so-called health and welfare trust fund pursuant to the provisions of M.G.L. c.32B, Section 15(b).

WITNESSETH

In accordance with M.G.L. c.32B, Section 15 the District and the Association have agreed to create the "Hampden-Wilbraham Regional School District Retired Teachers' Health & Welfare Fund Agreement and Declaration of Trust" (hereinafter referred to as "the Trust") which provides a vehicle for certain health plan benefit reimbursements and/or contribution payments (as specified herein) for the benefit of the Eligible Retired Teachers, and their Dependents; and

WHEREAS, the Association is the collective bargaining representative of Teachers as to their retirement benefits, and the Association acknowledges its authority to enter this Agreement; and

WHEREAS, the District has determined that continued provision of health insurance to retired teachers through the Massachusetts Group Insurance Commission is Not Sustainable, and

WHEREAS, the District and the Association have bargained and agreed upon a means to transition current Group Insurance Commission participants to the health insurance program

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provided by the District in a manner which they agree is fair and equitable and protective of the interests of such Retirees; and

WHEREAS, the purpose of this Agreement is to provide a way for the District to allow Eligible Retirees to participate in the District's insurance plans on the terms herein set forth;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

- (a) "District" means the Hampden-Wilbraham Regional School District;
- (b) "Association" means the Hampden-Wilbraham Regional School Education Association.
- (c) "Collective Bargaining Agreement" means each collective bargaining agreement in effect between the Association and the District, and any amendments to or modifications or replacements thereof which include a provision relative to this Agreement and/or the Trust Fund.
- (d) "Eligible Retirees" means (1) those persons who were employed by and retired from the District under the Massachusetts Teachers' Retirement System and are enrolled in the Group Insurance Commission retiree insurance program as of June 30, 2016 or (2) who are now employed by the District and retire from the District under the Massachusetts Teachers Retirement System on or before June 30, 2019 and meet eligibility requirements for the District retiree insurance program.
- (e) "Dependent" means any person having a relationship to an Eligible Retiree such that such person is or may be covered as a surviving spouse or other Dependent of the

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Eligible Retiree under M.G.L. c.32B. For the purpose of this Agreement, the parties agree that Dependents shall be entitled to receive benefits to the same extent and at the same level as Dependents of other Hampden-Wilbraham Regional School District Retirees.

(f) "Retirees" means those persons who were employed by and retired from the District under the Massachusetts Teachers' Retirement System.

ARTICLE II

TERMS OF PARTICIPATION

IN HEALTH PLAN FOR ELIGIBLE RETIREES

Eligible Retirees and Dependents may participate in health insurance plans upon the terms and conditions generally established from time to time by the District. The rate of contribution for health insurance for Eligible Retirees shall be established at the commencement of each fiscal year.

For fiscal year 2017 Eligible Retirees who were previously responsible for fifteen (15%) percent of their retiree insurance premiums under the Group Insurance Commission shall be responsible for payment of sixteen (16%) percent of the premium applicable to the insurance program in which they are enrolled. Commencing on July 1, 2018 and each July 1st thereafter, such Eligible Retirees shall be responsible for an additional one (1%) percent of the applicable premium. Said one (1%) percent incremental premium contribution increases shall continue each fiscal year until the premium contribution of the Eligible Retiree is equal to the premium contribution generally required of Retirees in the applicable insurance plan.

Those Eligible Retirees who retire from the District after June 30, 2016 shall be

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responsible for the same percentage premium contribution formula that is in effect for Retirees under this paragraph at their retirement.

For fiscal year 2017, Eligible Retirees who were previously responsible for ten (10%) percent of their retiree insurance premiums under the Group Insurance Commission shall be responsible for payment of eleven and twenty-five one hundredths (11.25%) percent of the premium applicable to the insurance program in which they are enrolled. Commencing on July 1, 2018 and each July 1 thereafter such Eligible Retirees shall be responsible for an additional one and twenty-five one hundredths (1.25%) percent of the additional premium. Said one and twenty-five one hundredths (1.25%) percent incremental premium increase shall continue each fiscal year until the premium contribution of the Eligible Retiree is equal to the premium contribution generally required of Retirees in the applicable insurance program.

When Eligible Retirees reach the percentage premium contribution generally required of Retirees in the applicable insurance program, such Eligible Retirees shall no longer be governed by this Agreement and health insurance will be provided in accordance with the District retiree insurance program then and thereafter in effect.

ARTICLE III

FINANCIAL HARSHIP ABATEMENT

A financial hardship abatement may be available to Eligible Retirees who retired prior to July 1, 2016. The conditions and criteria for such exemption shall be as follows:

- (a) A Retiree who can demonstrate that his/her income level is less than two (2) times the applicable Federal Poverty Guideline as established by the U.S. Department of Health and Human Services, or any successor guideline, shall submit documentation of same to

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the Superintendent of Schools.

(b) Upon verification of such facts, the rate of insurance premium contribution for such Retiree shall be abated so as to establish the annual health insurance premium to a contribution rate of fifteen (15%) percent.

ARTICLE IV

CONTRIBUTIONS TO TRUST FUND

1. For each Trust Year, the District shall contribute to the Trust Fund the estimated amount necessary to fund the Retiree Premiums for such Trust Year, and to provide any other Benefits required herein; provided, however, that the District's contribution obligation hereunder for any Trust Year shall be reduced, dollar for dollar, by amounts expended during such Trust Year directly by the District to provide such Benefits. Any balance in such Trust at the end of a Trust Year shall continue to be held in the Trust to provide benefits in the subsequent year.

2. Upon request, the District shall provide the Association President with the contribution amount, provided the amount has been determined, and the annual District financial audit.

ARTICLE V

CONTROVERSIES AND DISPUTES

1. In any controversy, claim, demand, suit at law, or other proceeding involving any Eligible Retired Teacher or any other person relating to any Benefits or obligations hereunder, the adjudicator shall be entitled to rely upon any facts jointly certified by the Association and the District, and any facts which are of public record.

2. Should there be a dispute concerning whether any party hereunder has failed to