**Act 93 – The Template**

**The Act 93 template has been designed to be customized by the user. Members can access the template as a Word document by visiting the Pennsylvania Principals Association website at** [**www.paprincipals.org**](http://www.paprincipals.org)**. Click on *Signature Services* and then *Act 93* to locate the document. Any questions about the template can be directed to Dr. Paul M. Healey, Ph.D., PA Principals Association Executive Director, at** **healey@paprincipals.org** **or by contacting the State Office at 717-732-4999.**

It should be noted that the **boldface type** indicates that the language or figures may be altered or modified.

**ACT 93 AGREEMENTS**

**INTRODUCTION:**

 The goal of this Plan between the **(name of district)** School District’s Board of Education and Administrative Staff is to provide a means by which compensation affecting the school administrative and supervisory personnel can be resolved within the framework of a management team philosophy.

 The Board of School Directors of **(name of school district)** School District adopts the following Administrator Compensation Plan pursuant to the "Public School Code of 1949", as amended, Section 1164. The Board recognizes the importance of maintaining an effective Management Team to strengthen the administration and educational programs of the district and to establish and improve communications, decision-making, conflict resolution and other relationships among the members of the Team.

 Furthermore, the district and the Act 93 team recognizes and abides by the tenets of Act 93 of 1984 which include the following:

1. The right for administrators to meet and discuss in good faith with the Board of School Directors if a majority of the administrators so request.
2. The right to a written compensation plan as board policy whether or not it is requested. The Plan must be good for no less than one year and contain, at the minimum, a description of the compensation plan, the salaries or the salary schedule and a list of fringe benefits.
3. Continuation of the right to a grievance process with the assistance of the Department of Education as provided for in the 1947 Anti-Strike Act.

**PROGRAM OBJECTIVES:**

1. To develop and maintain the management team philosophy between the Board of Directors and the Act 93 group. In practice, this looks and sounds like ongoing dialogue between the Board and administrators on vison, mission, goals, successes, areas for growth, etc. with the overarching goal of improving the educational offerings that maximize student growth.
2. To create and maintain relevant internal compensation practices that take into account the relationship between salaries paid teaching personnel and administrative personnel according to scope of the job. In practice, this looks and sounds like a universal understanding and acceptance that administrators are valued for the additional responsibilities of their positions and the time and effort needed to fulfill those positions.
3. To insure that appropriate compensation is paid to administrators. In practice, this looks and sounds like ongoing reviews of administrator salaries paid in the district by position as related to same positions in the IU or region. Competitive salaries are needed to help the school district attract and retain competent administrators.
4. To establish and maintain a systematic approach to compensation information. In practice,
this looks and sounds like objective salary procedures are in place which insure that all administrators and supervisors are treated fairly with performance being the major differentiating characteristic among individuals.
5. To abide by the agreed upon and State approved evaluation plan for administrators. In practice, this looks and sounds like an approved Board action denoting the administrative plan to be used in the district which is either the current State Principal Effectiveness Plan or an alternate plan that has been approved by the Pennsylvania Department of Education (PDE).

**TERM OF COMPENSATION PLAN:**

 This plan is effective **(enter starting date)** and shall remain in force until **(enter ending date)**.

**EVALUATION PROCESS:**

 Each administrator shall be evaluated by the Superintendent and receive their final evaluation on or before **(July 1 –** **some districts are moving this date to the Fall after they receive SPP score)** of each year. The District will follow the evaluation guidelines as per Act 82 and utilize either the Principal Effectiveness process or an alternate evaluation process that has received approval by PDE.

**ACT 93 MEMBERSHIP:**

 "Administrator" shall mean any employee of the school entity below the rank of district superintendent, executive director, assistant district superintendent or assistant executive director, but including the rank of first level supervisor, who by virtue of assigned duties is not in a bargaining unit of public employees as created under the act of July 23, 1970 (P.L. 563, No. 195), known as the "Public Employee Relations Act." However, this definition shall not apply to anyone who has the duties and responsibilities of the position of business manager or personnel director, but not to include principals.

 The specific position titles covered by this agreement for the district include: **(list all positions covered by the agreement making sure they are supervisory in nature, for example, the superintendent’s secretary is not a part of Act 93.)**

**INDEMNITY CLAUSE:**

 The District agrees that it shall defend, hold harmless and indemnify Act 93 Administrators from any and all demands, claims, suits, actions and legal proceedings brought against the administrator in their individual capacity or official capacity as agent and employee of the District, provided the incident arose while the administrator was acting within the scope of their employment and excluding criminal litigation. The Board shall provide public liability insurance for the administrator up to **($4,000,000)** or some other number to cover legal expenses in defense of claims and payment of judgments resulting from his/her functioning as district administrator.

**SALARY AND OTHER COMPENSATION:**

**(We have provided several options here, choose an option and make any adjustments to the figures.)**

**OPTION A:**

Salary compensation for administrators, rated as proficient or above, shall be increased as
follows:

Year 1 **(2.5)**% increase + potential merit award

Year 2 **(2.5)**% increase + potential merit award

Year 3 **(2.5)**% increase + potential merit award

Year 4 **(2.5)**% increase + potential merit award

 Any Act 93 employee receiving a final performance evaluation of Needs Improvement or Failing will not be entitled to any base or merit increases for the year following the evaluation. It is also understood that any individual in the Needs Improvement or Failing categories will be provided with an Improvement Plan and the support of the District to return to proficiency status.

 Merit Awards will be given to any Act 93 employee who receives an annual performance evaluation of Proficient or Distinguished. For a Proficient rating, the individual will receive a **(1% or enter alternate %)** increase and for a Distinguished rating, a (**2% or alternate %)** increase. A merit award is based on the recommendation of the Superintendent and shall be added to the base salary. The Board understands that adequate funding for merit awards must be set aside in the budget so that all Act 93 employees have an opportunity to earn the merit awards.

* A yearly appraisal of Act 93 employee salaries will be conducted to assure that no Act 93 employee will make less per diem than any other professional employee in the District with the same number of years of education and experience. If it is discovered that an Act 93 employee is making less per diem, the Superintendent will make the Board aware so that the employee’s salary can be adjusted so that he/she, at a minimum, is making the same if they were on the teachers’ salary schedule given the same number of years of service and education.

***Example:***

Principal with 25 years of service and a master’s plus 30 - 94,000 divided by 260-day contract equals per diem salary of $361.54

Teacher in same district with 25 years of service and a master’s plus 30 - 80,000 divided by 184-day contract equals per diem salary of $434.78

Thus principal’s salary should be adjusted to reflect extra time and responsibilities to a minimum of the teacher’s per diem or an adjustment of $73.24 per day or annual adjustment of $19,042.

**OPTION B:**

Salary compensation for administrators, rated as proficient or above, shall be increased as follows:

Year 1 **(1.5)** x teachers’ % increase + potential merit award

Year 2 **(1.5)** x teachers’ % increase + potential merit award

Year 3 **(1.5)** x teachers’ % increase + potential merit award

Year 4 **(1.5)** x teachers’ % increase + potential merit award

 Any Act 93 employee receiving a final performance evaluation of Needs Improvement or Failing will not be entitled to any base or merit increases for the year following the evaluation. It is also understood that any individual in the Needs Improvement or Failing categories will be provided with an Improvement Plan and the support of the District to return to proficiency status.

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**OPTION C:**

Salary compensation for administrators, rated as proficient or above, shall be increased as follows:

Year 1 Base increase equal to Act 1 index + potential merit award

Year 2 Base increase equal to Act 1 index + potential merit award

Year 3 Base increase equal to Act 1 index + potential merit award

Year 4 Base increase equal to Act 1 index + potential merit award

 Any Act 93 employee receiving a final performance evaluation of Needs Improvement or Failing will not be entitled to any base or merit increases for the year following the evaluation. It is also understood that any individual in the Needs Improvement or Failing categories will be provided with an Improvement Plan and the support of the district to return to proficiency status.

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Thus principal’s salary should be adjusted to reflect extra time and responsibilities to a minimum of the teacher’s per diem or an adjustment of $73.24 per day or annual adjustment of $19,042.

**OPTION D:**

Salary compensation for administrators, rated as proficient or above, shall be increased as follows:

Year 1 **($1,000)** base increase + potential merit award

Year 2 **($1,500)** base increase + potential merit award

Year 3 **($2,000)** base increase + potential merit award

Year 4 **($2,000)** base increase + potential merit award

 Any Act 93 employee receiving a final performance evaluation of Needs Improvement or Failing will not be entitled to any base or merit increases for the year following the evaluation. It is also understood that any individual in the Needs Improvement or Failing categories will be provided with an Improvement Plan and the support of the district to return to proficiency status.

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Thus principal’s salary should be adjusted to reflect extra time and responsibilities to a minimum of the teacher’s per diem or an adjustment of $73.24 per day or annual adjustment of $19,042.

**LONGEVITY BONUS:**

 Longevity bonuses will be calculated as of June 30th from the date of hire, payable on July 1st and will be paid according to the following chart. No employee shall receive less in longevity pay than they received in the previous year. Longevity will be in addition to regular salary increases but will not become part of the base salary.

Years of Service in the District: **(Again you may want to adjust the numbers here.)**

Less than 5 – **($1,000)** per year

5 but less than 10 – **($1,500)** per year

10 but less than 15 **– ($2,000)** per year

15 but less than 20 – **($2,500)** per year

20 but less than 25 – **($3,000)** per year

25 but less than 30 – **($3,500)** per year

30 or more – **($4,000)** per year

**FRINGE BENEFITS:**

***Flexible Spending Plan***

 The District shall adopt an IRS Section 125 Plan and permit all Act 93 employees to participate in the Section 125 Flexible Spending Account Program, for Medical Care (annual maximum of **$6,000**) and dependent care (annual maximum as per IRS regulations).

***Health Insurance***

 Covered administrators are eligible to receive health and medical insurance coverage under the same terms and conditions as that offered to members of the **(Name of School District)** Education Association/Federation of Teachers. Members of the Act 93 group will make the same contribution toward health care as members of the teacher collective bargaining unit.

 The premium co-share will be made through monthly payroll deduction, through a Section 125 Premium Conversion Plan, with pre-tax dollars.

***Continuation of Health and Dental Insurance at time of Retirement***

 The Board will provide, on an optional basis, health and dental coverage to all eligible retirees who have retired with the following conditions and prerequisites:

1. Benefits to continue until employee’s 65th birthday;
2. To continue these benefits upon retirement, the employee will pay the same amount of contribution as active administrative employees; and
3. The employee is retiring and receiving benefits through the Public School Employees’ Retirement System (PSERS) and meets one of the following:
4. 15 years of continuous employment with the **(Name of District)** Area School District
5. Superannuation (normal retirement)
6. 30 years of service in PSERS
7. Disability retirement.

***Health Care Buyout***

 Any administrator who voluntarily opts out of medical coverage at the beginning of any school year shall receive an annual payment in the amount of **($5,000)** for multi-party coverage or **($2,500)** for single coverage. This payment shall be made in two equal installments in the first pay of December and the first pay of June.

***Term Life Insurance***

 Term life insurance (with double indemnity) will be provided in an amount equal to **(three (3) times)** the salary of the Act 93 administrator. Administrators may purchase additional term life insurance at their own expense.

***Vision Insurance***

 Vision insurance will be provided for the administrator and all dependents for an annual eye exam and glasses. A participating doctor must be the provider.

***Long-Term Disability Insurance***

 The District will provide long-term care insurance for the each administrative employee covering nursing home and professional home care services up to a monthly benefit amount of **($3,000)**. Employees have the option to increase the coverage amount and/or add coverage for a spouse at their own expense.

***Reimbursement for Medical Expenses***

 For each year, **($4,000)** reimbursement per administrator for any medically prescribed expenses and non-mandatory physical examination will be provided. The **($4,000)** per administrator will be pooled together and at the end of each fiscal year any monies remaining in the pool will be distributed proportional to administrators who may have exceeded the **($4,000)** maximum.

**PAID LEAVES:**

**Paid Holidays** – The following are paid holidays: Thanksgiving Day, the day following Thanksgiving Day, Christmas Eve, Christmas Day, New Year’s Eve, New Year’s Day, Martin Luther King Day, President’s Day, Good Friday, Memorial Day, Independence Day and Labor Day.

**Sick Leave** – Twelve-month administrative employees will receive **(twelve (12))** sick days at the beginning of each fiscal year. These may accumulate with no maximum cap. Each school year, up the **(five (5))** accumulated sick days may be used to care for a sick child, newborn or other member of the employee’s immediate family household or an employee’s parent who may live outside of the employee’s household.

**Personal/Emergency Leave** – Administrative employees receive **(three (3))** personal days plus **(one (1))** emergency day at the beginning of each fiscal year. All unused days will be converted to sick leave. If a crisis or extreme emergency condition occurs and the employee’s entire available personal/emergency leave and family illness days have been exhausted, the Superintendent has discretion to authorize additional emergency days.

**Vacation Leave** – All 12-month administrative employees receive vacation days. Vacation time shall be pro-rated for new employees who have not completed a full year of service.

 Vacation time is granted on the basis of administrative years of service in the school district, with accumulation limited to twice the annual accrual rate:

1st through 5th years of service **(21 days annually)**

6th through 10th years of service **(23 days annually)**

11th through retirement **(25 days annually)**

 In the event vacation days are not used by June 30, the employee will be paid **(50%)** of his/her per diem rate per unused vacation days up to a maximum of **(five (5) days)**. All other unused vacation days will be converted to sick leave. Vacation days may be taken at any time with the approval of the immediate supervisor and/or the Superintendent.

 Upon separation, all unused and earned vacation days shall be compensated at the employees per diem rate (annual salary/260 = per diem rate).

**Jury Duty Leave** – Each administrator shall be entitled to receive jury duty leave in the event said administrator is called upon to serve on a jury in the state or federal courts of the Commonwealth of Pennsylvania. Salaries and benefits for such administrators shall continue during the term of such leave, as long as said administrator reimburses the school district the amount received from said courts as payment for jury duty. Leave for jury duty does not count as vacation or personal leave.

**Bereavement Leave** – Whenever an employee is absent from work because of the death of a spouse, mother, father, step-parent, son, daughter, step-child, there shall be no deduction in wages for this absence that is not in excess of **(eight (8))** calendar days.

 Whenever an employee is absent from work because of the death in the immediate family, there shall be no deduction in wages for an absence not in excess of **(five (5))** calendar days. Members of the immediate family shall be defined as brother, sister, parent-in-law, son-in-law, daughter-in-law or near relative who resides in the same household.

 Whenever an employee is absent from work because of the death of a near relative, there shall be no deduction in wages for the absence on the day of the funeral. A near relative shall be defined as first cousin, grandfather, grandmother, aunt, uncle, nephew, niece, brother-in-law, sister-in-law or grandchild.

**Leave of Absence for Restoration of Health** – Administrators may apply for a leave of absence for restoration of health as permitted under the School Code.

**Leave of Absence for Professional Development** – A leave of absence for professional development shall be directly related to the professional responsibilities as determined by the Board of School Directors and shall be restricted to activities required by regulations of the State Board of Education and by the laws of this Commonwealth for a professional certificate or commission or to improve professional competency. All requests for a leave of absence for professional development shall be subject to review and authorization by the Board of School Directors, which shall have sole authority to adopt and enforce policy establishing the conditions for approval of such leaves. At a minimum for a half school term, a leave of absence for professional development shall consist of any of the following or a combination thereof: nine (9) graduate credits, twelve (12) undergraduate credits or one hundred eighty (180) hours of professional development activities. At a minimum for a full school term, a leave of absence for professional development shall consist of any of the following or a combination thereof: eighteen (18) graduate credits, twenty-four (24) undergraduate credits or three hundred sixty (360) hours of professional development activities.

 The administrator requesting a leave of absence for professional development shall submit to the Board of School Directors a detailed plan describing the professional development activities to be undertaken. The Board shall be authorized to approve or reject the plan, consistent with its written policy. Upon completion of the leave, the administrator shall provide to the Board of School Directors satisfactory evidence that his/her approved plan for professional development was fully complied with during the leave of absence. If the administrator fails to do so, unless prevented by illness of physical disability, the administrator shall forfeit all benefits to which he/she would have been entitled under the provisions of this act for the period of the absence for professional development. The administrator shall also submit to the Superintendent within the first month following the conclusion of the leave an official transcript of all courses completed. Failure to submit the following will result in forfeiture of all compensation and benefits paid by the district:

* Official transcript of all courses completed.
* Required reports.

 Acceptance of a leave of absence for professional development incurs a commitment by the administrator to return to active duty in this district immediately following the leave. If the administrator leaves before the completion of **(two (2))** years the following will apply regarding the repayment of compensation and benefits:

* **(If less than one (1) year is completed, the repayment will be 100%.)**
* **(If longer than one (1) year but less than two (2) years, the repayment will be 25%.)**

**Doctoral Leave of Absence** –Administrators covered by the provisions of this salary/benefit plan shall be eligible for a doctoral leave of absence with full pay during the period of July 1 through December 31 of a single school year. In order to qualify for the doctoral leave of absence, an administrator:

* 1. must be a student in good standing in a doctoral program at an accredited university;
	2. must have completed successfully all applicable requirements for the doctoral degree with the exception of residency and the dissertation;
	3. must have secured approval from his/her dissertation committee for the dissertation project;
	4. must have completed a minimum of three years of service as an administrator in the school district;
	5. will receive the doctorate within six months following the completion of the doctoral leave of absence;
	6. must agree to return to service in the district for a minimum of one school term (September through June) following completion of the doctoral leave of absence.

 Requests for the doctoral leave of absence will be submitted to the Superintendent of Schools no later than January 31 of the year in which the doctoral leave is to be taken.

***Retirement Severance***

 A retirement severance payment will be made to an administrator who indicates in writing no later than December 1 that she/he will retire effective June 30 of that same school year. This payment will consist of a one-time amount and will be based on a percentage of the salary the administrator would have been entitled in the following school year, as indicated below. To be eligible for this retirement severance, the administrator must have at least **(ten (10) years)** of administrative years of service in the district.

 **(5% – 10-20 administrative years in the district)**

 **(6% – 21-25 administrative years in the district)**

 **(7% – 26+ administrative years in the district)**

***Travel Accident Insurance***

 **Administrators** will be provided with District-paid travel accident insurance coverage in the amount of **($150,000).**

***Professional Association Dues***

 Employees will be entitled to membership in at least **(one (1))** professional local, state or national organization that is directly related to their job responsibilities. **(It is our recommendation to never define a dollar amount since organizations change their dues.)**

***Workers’ Compensation***

 The District will provide for the difference between the employee’s salary and any benefits due or received by the employee from Workers’ Compensation. Sick leave may not be used in addition to this benefit. All medical expenses are to be submitted to Workers’ Compensation and are not subject to employee’s regular health plan regulations.

***Use of Personal Vehicle***

 An employee shall be reimbursed at the rate set by the IRS per mile for use, after reporting to work, of his or her personal vehicle on school business.

***Cell Phones and the Internet***

 Due to the "on-call" nature of administrative positions, all Act 93 group employees are expected to have a personal cell phone in their possession that can be used for school purposes. Additionally, administrators frequently work from home using their home Internet access. Accordingly, administrators designated by the superintendent receive a monthly stipend of $80 per month for use of their personal cell phone and internet access to be paid in June of each year. Employees who are hired after July 1 or depart during the course of a school year will have this stipend pro-rated.

**Protective Language:**

**Just Cause**

* An employee can be discharged or otherwise disciplined (for example, by suspension or demotion) only for “just cause.”
* An employee who is disciplined can file a complaint.
* If the complaint is not settled satisfactorily, the Act 93 group can require it to be decided by an arbitrator.
* The arbitrator will hold a hearing and then issue a decision that is final and binding.

**Discharge**

 Discharge of any employee shall be subject to arbitration or to proceedings at law under the Pennsylvania Public School Code as the affected employee may elect, subject to the following conditions and restrictions:

1. Discharge shall be commenced by the delivery to the employee of a Notice of Charges.

2. The affected employee must, by written notice delivered to the Superintendent with twenty-one (21) days receipt of such notice, elect between arbitration and proceedings under the Public School Code. Failure to timely elect shall be deemed consent to discharge and a waiver of all rights to contest the employee’s discharge.

3. If the affected employee elects to proceed under the Public School Code, the District shall promptly deliver to the employee a Notice of Hearing on the Charges, fixing the hearing for not less than ten (10) nor more than fifteen (15) days after such notice of hearing. All proceedings thereafter shall be in accordance with the Public School Code.

4. If the employee elects arbitration, the District and employee shall submit the matter to the Bureau of Mediation for a panel of arbitrators.

5. Where the employee elects arbitration, the arbitrator shall be bound by the provisions of the Public School Code and judicial precedents hereunder and his/her determinations on such matters of law shall be subject to judicial review and correction as matters of law, in the applicable appellate proceedings. Discharge shall not be governed by just cause.

**Seniority:**

 Seniority shall mean the length of service in the District from the employee’s first day of work as a school district administrator or as a professional employee following the date of hire.

*Seniority shall be determined on the basis of school years or any fractional part thereof rounded to the nearest thousandth. An employee who works more than the normal school year shall not be considered to have accumulated more seniority than an employee who works the normal year. Service rendered, however, on a part-time basis shall be counted as a fractional part of a school year.*

**Additional Considerations:**

 This section describes in detail some other options for administrators and school districts to consider in addition to salary and fringe benefits. Many times, school districts can even save some money by thinking of other ways to compensate administrators by implementing a few of the following suggestions. *We are fortunate at PAESSP to have two corporate sponsors who are experts in the areas listed below and who are available to talk with your team about any of these options.* ***Please see their contact information at the conclusion of this section.***

***Employee Elective Deferrals to an IRS Section 403(b) TSA and a Section 457(b) Plan***

 You are probably aware of the value of the IRS Section 403(b)tax shelter program that’s available to school employees, but many districts have also adopted an IRS Section 457(b) Deferred Compensation Plan. Prior to 2001 and the passage of the Economic Growth and Tax Relief Reconciliation Act (EGTRRA), school districts didn’t offer 457(b) plans because any employee contribution to the 457(b) diminished the amount that could be contributed into the 403(b); in effect, they offset one another. EGTRRA permits school employees to participate in both, with no offset. **Convincing your district to adopt a 457(b) plan would allow you to tax shelter twice as much each year.** And, unlike the 403(b) which must be made available to all employees, the 457(b) may be made available to all employees or to just a select group, like your Act 93 members.

***The Roth 403(b) and the new Roth 457(b)***

 You have probably heard of the Roth Individual Retirement Account (IRA). It allows individuals to contribute to an IRA using after-tax dollars. You don’t get the advantage of an immediate tax deferral but the distributions of your contribution *and all investment earnings* are tax free when withdrawn. Unfortunately, many administrators can’t take advantage of the Roth IRA since there are IRS compensation limits on who’s eligible. The good news for school employees is *there are no compensation* *limits* for the Roth 403(b) or Roth 457(b). **Urge your school district to permit Roth 403(b) (and Roth 457(b)) contributions under the district’s Plan Documents.** Then talk to your financial advisor about whether the traditional tax shelters and/or the Roths are best for you.

***School District Contributions to a Section 403(b) TSA and a Section 457(b) Plan***

 Many school districts are now making contributions to their administrators’ 403(b) or 457(b) plans in lieu of, or in addition to, salary increases. If the school district makes a contribution to the employee’s 403(b), the entire amount is invested in the administrator’s account and no taxes are taken out until the funds are withdrawn. At that time only federal income taxes are due; the employee avoids paying FICA, PA state and local taxes (a few other states tax pensions). The contribution doesn’t even flow through the payroll system. And, the district saves its share of the FICA which makes this contribution attractive to School Boards. A district contribution to the 457(b), since by definition its *deferred compensation*, may be considered as part of your final average salary for PSERS purposes. However, the contribution must be part of the administrator’s “formal” salary and not violate any other PSERS restriction, such as bonuses, incentives, termination pay, etc. Unlike the district contribution to the 403(b), district contributions to the 457(b) are considered compensation and must flow through the payroll system, so the PSERS contribution and all taxes, except federal income tax, must be paid. While this option is advantageous to the administrator, to the district it is less advantageous than a 403(b) contribution because the district must pay its share of the ever increasing PSERS expense. **Consider asking your school board for a contribution to either the 403(b) or 457(b).**

***SAGE Tuition Rewards Program***

 If your district has Kades-Margolis as one of its approved 403(b) vendors (or if you’re an Elementary Principal in any district) you’re eligible to participate in the SAGE Tuition Rewards Program. This “free” program will enable you to earn points that can be applied to the tuition charge at over 300 private colleges and universities across the nation. You may enroll children, grandchildren, nieces and nephews. (Visit [www.tuitionrewards.com](http://www.tuitionrewards.com/) for a complete list of participating colleges and universities or for more information.) You can earn points equal to up 5% of your 403(b) and/or 457(b) account balances *each year*. The balance need not be with Kades-Margolis; this program accepts the balances from any vendor. If an employee does not have a 403(b)/457, or has a balance of less than $20,000, that employee will still receive 1,000 points each year that they enroll. [Note: Through 9/30/2015 all points are being doubled!) **This program does not require school district participation so qualifying administrators may enroll simply by contacting the Kades-Margolis Employer Plans Department at (800)433-1828, ext. 3.** School district approval would be needed to offer this program to employees other than eligible administrators.

***Section 125 Flexible Spending Accounts***

 If your district doesn’t already offer a Section 125 Flexible Spending Account Program, **consider asking for one to be implemented.** Section 125 refers to the section of the IRS Code that allows for certain expenses to be paid using pre-tax dollars, instead of after-tax dollars. Without a Section 125 Program, when you pay for out-of-pocket medical or dependent care expenses you’re using after-tax dollars. This program will allow you make those payments using pre-tax dollars; and, you’ll save significant amounts in taxes. *And*, because you’re not paying FICA taxes, your district will save its share of FICA.

***Voluntary Insurances***

 One of the advantages of “group” insurances are they are much less expensive than individual insurance policies. School districts can offer administrators (or all employees) access to group insurances that administrators can take advantage of, or not. These are voluntary insurance programs such as accident insurance, critical care insurance, cancer and wellness insurance, short-term disability insurance and both term and universal life insurance. **Urge your district to give you access to voluntary insurances** so you can take advantage of the low premiums for those you may want to purchase. Point out to the board that, if they have a Section 125 plan in place, every premium dollar contributed to one of these insurances (except disability and life insurance) can be made with pre-tax dollars, thus reducing the district’s FICA expense.

**For Elementary Members, please contact:**

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