



ACT 93, SECTION 1164

Administrator Compensation Plan between

Hempfield School District

and

The Administrators

July 1, 2013 to June 30, 2016

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Article 1 Structure of Administrator Compensation Plan

Representatives of the Administrators met with a subcommittee of the Board and members of the Cabinet to discuss the objectives and terms of this Administrator Compensation Plan (hereinafter “Plan”). Terms of the plan fall under Section 1164 of the PA School Code. This is not a negotiated plan under representation of any union.

Article 2 Term of Plan

The term of this plan shall begin on July 1, 2013 and shall continue in full force until June 30, 2016.

Article 3 Definition of Administrator

The term “Administrator” shall include the following positions for the purpose of this plan:

- High School Principal
- High School Associate Principal
- High School Grade Principal(s)
- Middle School and Elementary Principals
- Middle School Assistant Principal(s)
- Principal of Alternative Education
- Other positions may be added at a later date as deemed appropriate by the Board.

Article 4 Work Days and Calendar

- A. Administrators work a 261-day, twelve-month schedule.
- B. Holidays are designated on an annual basis, and include thirteen (13) paid holidays as follows:
 - July 4
 - Labor Day
 - Thanksgiving Day
 - Friday after Thanksgiving
 - Christmas Day
 - 1 day before or after Christmas
 - New Year’s Day
 - 1 day before or after New Year’s Day
 - Martin Luther King, Jr. Day
 - Presidents’ Day
 - Good Friday
 - Easter Monday
 - Memorial Day

In addition, Administrators shall receive one (1) floating holiday to be used in conjunction with the Thanksgiving holiday, and two (2) floating holidays to be used in conjunction with the Christmas/New Year's vacation schedule. These floating holidays are only to be used during "no school" days of Thanksgiving, Christmas or New Year's.

Article 5 Professional Dues and Memberships

Each Administrator shall, upon written request to the Superintendent, be entitled to one (1) membership in a professional association directly related to their work assignment. There will also be the potential of one (1) institutional membership available to each Administrator at the discretion of the District. The District shall pay the total cost of these memberships.

Article 6 Salary Provisions

Data and salary ranges from updated compensation study data will be utilized as the primary basis for the compensation program. Annual base salary will be determined for each Administrator as follows:

1. The Administrator's current salary will be evaluated against placement within the salary range.
2. An evaluation of the Administrator's performance will be used to determine the category of potential salary adjustment according to the Matrix, utilizing a Board approved evaluation program.
3. The Board will determine an appropriate percentage for the Factor of "X" to be used in this Matrix calculation.
4. The Administrator's increase in base salary will be calculated based on a combination of the performance evaluation, the Factor of "X", and the placement within the salary range.
5. If an Administrator works less than a full year, the annual salary will be prorated for the appropriate number of days worked. Administrators earning a doctoral degree during the term of this plan shall have a one-time only payment of \$5,000, which will **not** be added to their base salary. The one-time payment will be made through payroll following receipt of appropriate paperwork to document receipt of the doctoral degree. This payment will be made only if the Administrator successfully completes the doctoral degree within two (2) years of completion of non-dissertation classwork. This payment is **not** considered PSERS eligible wages. The Administrator must stay on the Hempfield School District payroll as an Administrator for at least three (3) years to retain the full \$5000 one-time payment. If an Administrator leaves before completion of the three (3) year time frame, the following

repayment schedule will be used:

- One-time payment paid in the final year shall be reimbursed at 100%
- One-time payment paid one (1) year prior shall be reimbursed at 80%
- One-time payment paid two (2) years prior shall be reimbursed at 60%

The annual salary will be paid biweekly from July through June each fiscal year. If the Administrator works less than the published 261-day schedule, the salary will be prorated. Administrators are also reminded that every five (5) to six (6) years, the salary schedule is adjusted using a three (3) week gap to avoid a “twenty-seven (27) pay year”. This is consistent with past practice, and allows us to avoid the potential decrease in biweekly pay that might result from twenty-seven (27) vs. twenty-six (26) pay periods in a single year. As always, we will give plenty of notice on that timing (this is expected to happen again in August 2017).

Article 7 Medical Benefits

All elements of medical benefits, including employee payments, monthly contributions, extent of benefits, and limitations, will follow the appropriate article(s) of the Collective Bargaining Agreement between the District and the Hempfield Education Association (HEA). These changes are effective as of July 1, 2013.

Article 8 Dental Benefits

All elements of dental benefits, including employee payments, monthly contributions, extent of benefits, and limitations, will follow the appropriate article(s) of the Collective Bargaining Agreement between the District and the HEA. These changes are effective as of July 1, 2013.

Article 9 Life Insurance

The District shall provide term life insurance (double indemnity) for each full-time Administrator. The amount of insurance will be a minimum of \$200,000.00; or two (2) times the Administrator’s annual base salary, rounded to the next higher thousand, to a maximum value of \$300,000.

Administrators will be able to purchase additional life insurance through the District’s carrier at their own personal expense. Where feasible, payroll deduction of these administrator paid premiums will be facilitated by the District.

Article 10 Income Protection

The District will provide disability benefits (income protection) for each Administrator who has been employed full-time by the District in an administrative position for at least one (1) full year. The District reserves the right to self-fund or insure this benefit. This benefit shall pay the employee 70% of their daily rate of pay, subject to a \$5,000 maximum monthly benefit. Income protection will take effect, for absences due to illness or accident, five (5) working days following the usage of all available leave.

Payments shall continue for a maximum of one (1) year (12 months) with the daily rate of pay remaining as originally established.

Verification of the medical disability that qualifies the employee for disability benefits (income protection) shall be provided in written form, and the District reserves the right to have that determination verified by an Independent Medical Examiner (IME) selected solely by the District. Continuing written verification will be required as appropriate for the disabling condition.

For an employee who has utilized the full year (12 months) of coverage, there is no recurrence of coverage in future years. If an employee has not exhausted the maximum one (1) year (12 months) of coverage, a medical disability which occurs at least one (1) year after return to active employment may be eligible for coverage for the remaining period of unused coverage. Therefore, during a working career, an employee may qualify for up to a total of one (1) year (12 months) of income protection benefit.

This benefit shall not apply to the Public School Employees' Retirement Benefit Contribution provisions, which shall remain subject to the rules and regulations set forth by said retirement system. This benefit is not intended to include those current or former Administrators receiving monthly benefits under the Public School Employees' Retirement System of Pennsylvania. If an eligible Administrator is entitled to a monthly benefit under this article, the combined limit of all wages, salaries, or other income received from any governmental disability or retirement plan (including Social Security, worker's compensation or other occupational disability law) and this policy shall not exceed 80% of the monthly salary of the Administrator.

Employees who use the benefits provided in this article may elect to continue making their contributions to the Public School Employees' Retirement System for up to six (6) months from the date when this benefit began to be received. The District will continue their contributions to the retirement system for the same length of time. To qualify for this benefit, the employee and the District must contribute based on the employee's full contract salary. In addition, the District will continue to provide life, medical and dental insurance coverage for up to six (6) months from the beginning of this benefit subject to normal employee contributions being paid toward the costs of coverage.

Article 11 Continuing Education, Tuition Reimbursement and Sabbatical Leave

The District agrees to pay the full cost of tuition for graduate study and reasonable expenses related to costs incurred in connection with any workshops, seminars, conferences, in-service training sessions, or other educational matters which an Administrator is required or requested to participate in by the Cabinet or the Board, other than those required by law.

The District will pay the actual cost of tuition for graduate college credits, to a maximum of six (6) credits per year. Employees on a sabbatical shall be required to earn nine (9) graduate credits per semester during the sabbatical, or six (6) graduate credits plus completion of a district project approved by the Superintendent per semester (totaling at least 180 hours of professional development activities). Costs other than course tuition are not covered by the District.

Existing members of this group who are actively enrolled in an approved degree program by June 30, 2013 are still eligible for twelve (12) tuition credits at district expense until June 30, 2014. During the 2014-2015 school year, they will be eligible for nine (9) credits and during the 2015-2016 school year, they will be eligible for six (6) credits at district expense. There will be a total of one (1) half-pay administrative sabbatical in the first semester and one (1) half-pay administrative sabbatical in the second semester with prior approval by the Superintendent.

All courses in an accredited program must be approved by the Superintendent prior to enrollment. Approvals are processed electronically through My Learning Plan. Credits within one's field or a related field of study and courses leading to further professional certification are generally covered by this policy. A grade of "B" or better for the completed course, as reported on a transcript or final grade report, will be required.

Effective July 1, 2013, tuition will be paid up front by the District at the time of enrollment upon submission of appropriate cost documentation (itemized tuition bill). Receipts and documentation of grades must be submitted within sixty (60) days of course completion; any amount paid up front by the District must be reimbursed if grade/completion requirements outlined above are not met or appropriate documentation has not been received on a timely basis.

In the event that an Administrator leaves the employment of the District, the Administrator shall repay the District any credit reimbursements received during the final three (3) years of his/her employment as follows:

Credits paid in the final year shall be reimbursed at 100%
Credits paid one (1) year prior shall be reimbursed at 80%
Credits paid two (2) years prior shall be reimbursed at 60%

Payments will be made on a monthly basis in normal payment cycles. To be eligible for this benefit, the Administrator must be on the payroll of the District at the time of payment.

No Administrator may take a split-year sabbatical for professional development purposes. Split-year sabbatical is defined as a one (1) semester per year leave over two (2) consecutive years. Requests for sabbatical leaves of absence shall be in accordance with Section 1166 of the School Code. As an alternative, Administrators eligible under the requirements of the Section 1166 (completed ten (10) years of satisfactory service with five (5) years of such service at Hempfield School District) may take, for study purposes only, one (1) semester of sabbatical leave at half-pay once during their Hempfield School District career, provided that the Administrator is verified as a full-time student enrolled in a graduate degree or an area of study approved by the Superintendent. The length of the sabbatical is limited to the professional employee calendar for that semester or year.

Leave balances will not accrue for those taking a sabbatical leave. See detailed sections on sick and vacation time for further clarification of this limitation.

There may be up to five (5) writing days per year for purposes of working on the doctoral dissertation as approved by the Superintendent. No more than three (3) days may be consecutive.

Article 12 Sick Leave

Twelve (12) days of sick leave shall be granted per school year cumulative for twelve-month Administrators; the annual allocation of days will be prorated for any Administrator scheduled to work less than twelve (12) months. Sick leave may be accumulated from year to year. Unused days may be paid out upon retirement up to a limit of one hundred (100) days, or the balance of sick days accrued as of June 30, 2013; see retirement payment section of plan for further clarification. See Appendix D for those with more than one hundred (100) days.

For Administrators who take a sabbatical for a semester, sick days will be prorated according to time worked vs. not worked in that year. For example, for an administrator who will be on sabbatical for five (5) months during the year, seven (7) days instead of twelve (12) days of sick leave will be accrued for the year.

Administrators may use five (5) accrued sick days each school year as family illness days to be used for the care of immediate family members. Members of the immediate family

shall be defined as a child, parent (natural, foster, or in-law), brother, sister, husband, wife, or anyone who is living regularly in the household.

Sick leave shall be granted in accordance with mandated provisions of the Pennsylvania School Code. Administrators hired from another district may carry a maximum of twenty-five (25) sick leave days to their accumulated balance with Hempfield School District from their prior district.

Article 13 Personal Leave

Three (3) personal days shall be granted per school year cumulative for twelve-month Administrators. The balance of personal days may not exceed six (6); any days earned beyond the maximum allowed balance of six (6) days will be forfeited. Any emergency day leave balances accumulated under prior policies may be carried forward, and those existing balances must be used for valid emergency purposes. This section is subject to any changes from the Collective Bargaining Agreement between the District and HEA.

Article 14 Vacation Days

The Administrators shall earn twenty (20) vacation days during each full school year of employment. Those days are accrued to the Administrator's vacation leave balance on a monthly basis, and may be used in the first year of employment.

Following five (5) years of continuous, full-time employment as an Administrator in Hempfield School District, two (2) additional days of vacation will be earned. After ten (10) full years, two (2) additional days will be earned, and after fifteen (15) continuous, full-time years as an Administrator, one (1) additional day will be earned each year. The maximum number of days that can be earned by an Administrator after fifteen (15) continuous, full-time years of service is, therefore, twenty-five (25) annual vacation days.

For any Administrator who is already earning more days under the prior Act 93 agreement, those individuals will not lose the vacation days they are currently earning. However, they must now reach the next level of progression in order to obtain an increase in vacation days under the new compensation plan.

No vacation days will accrue during a sabbatical leave, as the Administrator is not actively reporting to work during this period of time and is not required or able to use vacation time during this leave. Vacation days will accrue normally on a monthly basis before and after the period of sabbatical leave.

As long as the District works four (4) ten-hour days in the summer months, Administrators may work four (4) eight-hour days without taking a vacation day, to recognize the additional hours that are often worked during other times of the year.

The required use of vacation days and maximum number of days that can be carried to a subsequent year depend upon the Administrator's status in the "Grandfathered" vs. "New" employee group. See Appendix B and Appendix C for the appropriate details on these limits and required usage of days.

Article 15 Retirement Bonus and Related Payments

Payments made to Administrators based on years of service or at retirement depend upon the Administrator's status in the "Grandfathered" vs. "New" employee group. See Appendix B and Appendix C for the appropriate details regarding these payments. Starting with this plan, all Administrators hired and added to the payroll after June 30, 2013 will not receive any retirement bonus. Those still eligible are listed in Appendix C. Retirement bonuses are discontinued going forward for newly appointed Administrators not currently in the "Grandfathered" or "New" group.

Article 16 Retirement Medical and Dental Benefits

The District shall provide medical and dental insurance coverage for the retired Administrator until age sixty-five (65), provided the retiring Administrator has achieved fifteen (15) years of district administrative service with Hempfield School District, or has completed thirty (30) years of total PSERS service with a minimum of ten (10) years of administrative service.

The Administrator shall pay the following discounted rate for coverage. The percentage shown will be applied to the prevailing pseudo-premium¹ for single coverage if the District remains self-insured, or the prevailing premium payment for any fully insured benefit. Rates are reset each year effective January 1.

The percentage of premium to be paid by the Administrator is set at the time of retirement, and that percentage stays fixed through age 65/eligibility for Medicare.

<u>For Administrators retiring in year:</u>	<u>Percentage of premium paid:</u>
2013	35%
2014	40%
2015	45%
2016	50%

All such payments are subject to a minimum payment equivalent to the PSERS “premium assistance” amount (currently \$100/month). This minimum equivalent amount shall apply to payments from Administrators who do not qualify for the PSERS premium assistance.

If the retiring Administrator has achieved neither fifteen (15) years of district administrative service nor thirty (30) years of PSERS service with a minimum of ten (10) years of administrative service, the Administrator shall pay a prorated calculation based on the qualified years of district administrative service as a proportion of the fully qualified years required. In no case shall the prorated amount be less than the premium assistance amount discussed above.

Example: If an Administrator retires in 2014, does not have 30 years in the PSERS system, but has 12 years administrative service out of 15 administrative years required, he/she pays 4/5 of premium at 40%, 1/5 of premium at full rate. For the 2014 retirement, $4/5 * 40\%$ plus $1/5 * 100\%$ would calculate a 52% rate for 2014, to be applied to the applicable pseudo-rate for the year of coverage.

Spousal and dependent medical and dental insurance coverage may be purchased at the prevailing pseudo-premium for such coverage. The employee’s coverage is considered “Single” coverage. Adding a spouse and/or dependent would require the employee to pay the difference between the “Employee + 1” or “Family” pseudo premium and the “Single” premium, as applicable. To be eligible, the spouse must comply with any/all provisions of the spousal rule.

If the retiree dies before the spouse reaches age sixty-five (65) the surviving spouse may purchase coverage at the full prevailing pseudo premium (but not less than the PSERS subsidy amount) until he/she reaches age sixty-five (65).

The retired administrator shall be responsible for paying any income taxes owed for the receipt of retired medical and/or dental benefits as may be required by state or federal law.

¹ Pseudo-premium is a calculation of the estimated monthly premium for medical and/or dental insurance under a self-insured plan. This number is calculated and published annually with data and analysis from the insurance claims administrator.

Article 17 Retirement Life Insurance (Right to Purchase)

The basic term life insurance policy (without double indemnity), with a face value up to \$100,000, shall be available for purchase by the retired Administrator at the then current carrier rate until age 65.

Article 18 Health Reimbursement Arrangement (HRA)

The District shall make employer contributions on behalf of the Administrator based on years of service to the District.

- A. Administrators who qualify under this program shall be entitled to a District contribution of fifty dollars (\$50) per pay into a 501(c)(9) Health Reimbursement Arrangement (HRA) account. Administrators will be eligible after five (5) years of administrative service to the District. Administrators who had prior service as a teacher within the District may qualify for a thirty dollars (\$30) per pay level upon attaining fifteen (15) years of teaching experience, or fifteen (15) years combined teaching and administrative service; they will then receive the fifty dollars (\$50) per pay level of contribution upon achieving five (5) years of administrative service.
- B. All district contributions into the HRA account under this plan shall be deposited into qualified accounts established for each eligible employee. The vendor shall be approved by the District and the vendor shall be responsible for administering such programs.
- C. The design of this plan is intended to provide significant tax savings to the District and to the employees of the District by depositing amounts hereunder directly into approved 501(c)(9) programs, while permitting the employees to exercise investment control over the accounts until the employee has access to the balances and elects to withdraw amounts from the account after separation from service.
- D. The 501(c)(9) plan must be maintained under standards in compliance with IRS regulations. The plan will be administered in compliance with these standards and may be amended from time to time to meet these requirements. If at any time the District's contributions are deemed to constitute income to the Administrator, the Administrator shall be responsible for the payment of all applicable state and /or federal taxes.
- E. At plan inception, compliance with IRS standards has dictated that two (2) portions of the Administrators' accounts must be maintained within the 501(c)(9) structures. One (1) account, for thirty dollars (\$30) per pay, is considered unrestricted, and may be used for premium-based expenses or out-of-pocket expenses that qualify under IRS guidelines. The second account, for the other twenty dollars (\$20) per pay, is restricted to payment of premium-based expenses (such as supplemental Medicare, medical insurance, and/or long-term care insurance premiums).
- F. Administrators in the "Grandfathered" group will have the cumulative employer contribution to this HRA plan deducted from other employer payments to tax

sheltered accounts at retirement. There is no offset of employer contributions to this account for Administrators in the “New” group. See Appendix B and C for further clarification of this treatment.

Article 19 Leave for Family Bereavement

An Administrator shall be allowed a maximum of three (3) days of absence without loss of salary because of a death in the immediate family. Members of the immediate family shall be defined as a child, parent (natural, foster, or in-law), brother, sister, husband, wife, or as anyone who has lived regularly in the household.

An Administrator shall be allowed one (1) day of absence on the day of the funeral without loss of salary upon the death of a brother-in-law, sister-in-law, son-in-law, daughter-in-law, grandparent, grandchild, spouse's grandparent, aunt, uncle, cousin, niece, or nephew. In either category above, the Superintendent may extend the period of absence with pay as the circumstance may warrant.

Article 20 Jury Duty

An Administrator called for jury duty shall receive contractual salary. The Administrator serving on jury duty shall remit the jury pay to the District.

Article 21 Direct Deposit

Direct deposit will be required for all Administrators providing banking regulations permit the District to transfer the money on the same day as payday.

Article 22 Tax-Sheltered Annuity Deposits

Money deducted for tax-sheltered annuities will be forwarded to the investor by the Wednesday following payday. Any 403(b) tax-sheltered annuity options shall be administered in a plan that is maintained in compliance with IRS regulations.

Article 23 Flexible Spending Account

The District offers all Administrators the option to join the Flexible Spending Account (FSA) Plan (Federal Plan Section 125). FSA permits Administrators to pay for

qualifying health care expenses, including insurance deductibles and contributions, or dependent daycare expenses with pre-tax dollars. Administrator contributions into a FSA shall comply with the limits established by federal law.

Article 24 Conformity to Law

In the event that any provision of this plan is or shall at any time be contrary to law, all other provisions of this plan shall continue in effect.

Date and Signatures

Hempfield School District Public Employer

Representatives of Administrators

Superintendent

Date

(Assistant) Principal

Date

Director of Human Resources

Date

(Assistant) Principal

Date

President, Board of School Directors

Date

(Assistant) Principal

Date

APPENDIX A – ADMINISTRATIVE SALARY MATRIX

Salary Matrix - Performance Based Salary Increases

Performance Level	Lower Third	Middle Third	Upper Third
1 - Distinguished	X + 2%	X + 1%	X%
2 – Productive / Effective	X + 1%	X%	X – 0.5%
3 – Needs Improvement / Progressing	0%	0%	0%
4 – Unsatisfactory	0%	0%	0%

**Matrix is based on performance, and position within the salary range
X is a standard increase percentage determined by the School Board**

Legend:

Lower third – Range Point of 0.0 – 33.3%

Middle Third – Range Point of 33.4% - 66.6%

Upper Third – Range Point of 66.7% - 100%

* If the Factor of X is defined as 0, any employee in the matrix with a calculation of X minus (-) a percentage will not face a salary decrease, their salary will be frozen for that year.

Administrative Pay Range Families

Zone E High School Principal

Zone D Elementary Principal, Middle School Principal, High School Associate Principal, and Principal of Alternative Education

Zone C High School Grade Principal and Middle School Assistant Principal

Updates: Data will be updated periodically to perform evaluation of current salary within the pay ranges, and use the applicable formulas to determine annual base salary increase.

Placement in Range: During the term of this plan, for placement of new employees in administrative positions, consideration will be given where appropriate for prior administrative experience and level of education.

Starting Salaries: Generally, starting salaries will be determined by the minimum of the range for individuals without prior administrative experience or advanced levels of education.

APPENDIX B – “GRANDFATHERED” GROUP BENEFITS

Specific benefits apply to separate groups as defined within this administrative “Grandfathered” group of employees. This represents the group of employees who were employed as of March 1, 2007, and who elected to continue to receive any potential retirement payouts under the previously existing Act 93 terms.

Those included: Janet Baer and Rick Bentley. These irrevocable choices were previously made by these employees in 2007. No new employees will be added to this group.

- 1) **Vacation Days:** See Article 14 for terms and definition of vacation leave accruals. Vacation balance accumulation limits, and leave balance treatment upon a PSERS eligible retirement, are as follows:
 - a) **Accumulation Limits:** Employees in the “Grandfathered” group may carry a maximum of thirty-five (35) days of vacation into any new fiscal year (July 1). With the Superintendent’s permission, an additional five (5) days may be carried over for use by August 1 of that calendar year.
 - b) **Retirement Payout of Vacation Leave Balances:** Based on a thirty-five (35) day maximum carryover and twenty-five (25) days earned in the final year of employment, the maximum days that could be paid out at retirement would be sixty (60) days. The actual vacation leave day balance, subject to that sixty (60) day limit, will be paid out upon termination, at the final year per diem amount, through payroll. This amount is not eligible for PSERS reporting, may be eligible for Federal Income Tax deferral to a 403(b) Tax Sheltered Annuity employee account or the 457 Deferred Compensation Plan (subject to IRS rules and limits in the year of payment), and will be subject to any/all valid payroll taxes at the time of payment.
- 2) **Sick Days:** See Article 12 for the details of how sick days can be earned and accumulated. Upon a PSERS eligible retirement, unused sick days will be paid out at fifty dollars (\$50) per day as an employer contribution to a 403(b) Tax Sheltered Annuity (TSA) account with the Special Pay Plan vendor to be selected by the District. This payment is subject to annual IRS limits on payments to 403(b) accounts, and may be reduced by any payment to the 501(c)(9) HRA account. Effective July 1, 2013, days eligible for payout are limited to one hundred (100) sick days, or the balance of sick days accumulated as of June 30, 2013 if higher than one hundred (100) days. Additional sick days can be earned and used while actively employed, but only one hundred (100) days or the balance that exists as of June 30, 2013, would potentially be paid out at retirement. See Appendix D for those with more than one hundred (100) days.

- 3) **Retirement Bonus:** With a minimum six (6) month notice to the Superintendent, Administrators are eligible for the following retirement bonus payment.
- a) **Base Bonus Amount:** The base bonus is \$25,000 unless extended notice is given.
 - b) **Extended Notice of Retirement:** If the Administrator gives a twelve (12) month notice of retirement, the Administrator will receive a \$10,000 increase in salary during their final year of employment. They would then receive a \$15,000 base bonus amount upon retirement.
 - c) **Additional Bonus Calculation:** Administrators shall receive 1.5% of their individual final year's administrative salary for each year of Hempfield School District administrative service, to a maximum of ten (10) years, or 15%.
 - d) **Offset of HRA Contributions:** The bonus and/or sick day payouts at retirement are reduced by any prior District contribution to the 501 (c)(9) HRA accounts at the time of retirement.
 - e) **Notification Discretion:** Under certain legal, legislative, health or other circumstances, the Superintendent has the discretion to approve a retirement that does not meet the six (6) month minimum requirement.
 - f) **Payment of Bonus Amount:** The retirement bonus is paid as an employer contribution to a 403(b) Special Pay Plan, with a vendor to be selected by the District.
 - g) **IRS Limits on Employer Payments to 403(b) TSA Accounts:** All employer payments to the TSA account must be made within IRS limits in the year of payment. If the District is unable to complete payment of the administrative bonus and sick days immediately after separation from service due to these limits, the remaining payment will be made as early as practical in the following calendar year. Where possible, Administrators are encouraged to use the 457 plan for final year deferrals instead of contributions to their personal 403(b) account, to allow for timely District payment of all balances due.

APPENDIX C – “NEW” GROUP BENEFITS

Appendix C outlines the requirements and benefits that are specific to the “New” group of employees. This represents all existing Administrators who made a “New” group election by April 20, 2007 or new Administrators who have been hired between April 2007 and June 2013. All new Administrators hired and added to the payroll after June 30, 2013 WILL NOT be added to this group.

- 1) **Vacation Days:** See Article 14 for terms and definition of vacation leave accruals. Vacation usage, balance accumulation limits, potential payout of excess days, and leave balance treatment upon a PSERS eligible retirement, are as follows:
 - a) **First Year of Employment:**
 - i) There is no requirement to use vacation days in the first year.
 - ii) At the end of the first full year of employment, any unused vacation days shall be carried forward to July 1 of the following year
 - b) **Subsequent Years (mandatory use or lose requirement):**
 - i) Administrators in the new group may carry a maximum of twenty-five (25) days of vacation into any subsequent fiscal year (July 1).
 - ii) Any days beyond a balance of twenty-five (25) days will be lost if not used by June 30th of each year. There is no payout available for unused days.
 - c) **Retirement Payout of Vacation Leave Balances:** At retirement, the actual vacation leave balance, up to maximum balance of twenty-five (25) accrued vacation days, shall be paid at per diem rates as compensation that is not eligible toward PSERS benefits. These amounts, if applicable, will be processed through payroll, and will be subject to all appropriate payroll taxes.
- 2) **Sick Days:** See Article 13 for the details of how sick days can be earned and accumulated. Upon a PSERS eligible retirement, unused sick days up to a limit of one hundred (100) days will be paid out at fifty-five dollars (\$55) per day as an employer contribution to a 403(b) Tax Sheltered Annuity (TSA) account with a vendor to be selected by the District. This payment is subject to annual IRS limits on payments to 403(b) accounts. Administrators who have a balance of sick leave greater than one hundred (100) days as of June 30, 2013 will be eligible for payout of the balance of days that exists as of June 30, 2013 as their maximum payout. Additional days can be earned and used while actively employed, but only one hundred (100) days or the balance that exists as of June 30, 2013, would potentially be paid out at retirement. See Appendix D for those with more than 100 days.

3) **Payments in lieu of Retirement Bonus:** Instead of payments at the time of retirement, intermediate employer payments will be made to a 403(b) TSA account established by the Employer, with payments to be made at the following years of service benchmarks:

Completion of 5 years of service	\$7,500
Completion of 10 years of service	\$7,500
Completion of 15 years of service	\$10,000

- a) **Timing of Employer Contributions to 403(b) TSA Account:** Employer payments to the TSA accounts will be processed in January and/or July of each calendar year for Administrative employees who have reached a years-of-service benchmark during the prior six-month period.
- b) **No Offset of HRA Contributions:** There is no offset of any sick day or other payments by the amounts contributed to the Administrator's 501(c)(9) HRA account. Those payments to the HRA are an integral part of the new structure of the Act 93 payments for retirement planning.
- c) **Notification Requirement:** Administrators must continue to give a minimum six (6) months notice of retirement to receive the sick day retirement payouts, and to provide adequate time for transition planning.
- d) **Notification Discretion:** Under certain legal, legislative, health or other circumstances, the Superintendent has the discretion to approve a retirement that does not meet the six (6) month minimum requirement.
- e) **IRS Limits on Employer Payments to 403(b) TSA Accounts:** All employer payments to the TSA account must be made within IRS limits in the year of payment. If the District is unable to complete payment to the 403(b) account in any given year due to these limits, the remaining payment will be made as early as practical in the following calendar year.
- f) **List of Act 93 Administrators who qualify for this Benefit:** Ryan Axe, Beth Brumbaugh, Brendan Cregan, James Dague, Douglas Dandridge, Jodi Harrington, Christopher Jahnke, Rachel Martin, Tab Musser, Kimberly Rauscher, Mark Reinhardt, Wilbur Stout, Kathleen Swantner, and Ronald Swantner. No new employees will be added to this group. If an Administrator opts to go back into the Collective Bargaining Unit or leaves to go to another school district and returns to Hempfield School District, this benefit is forfeited moving forward. No new employees will be added to this group.

APPENDIX D – SICK LEAVE PAYOUT

As noted in Appendix B, Article 1, the payout of sick leave at retirement has been limited to one hundred (100) days for the employees in the Administrator group. There is an exception for Administrators who are part of this group as of July 1, 2013 and who have a balance of sick leave greater than one hundred (100) days as of June 30, 2013. These individuals (shown below) will be eligible for payout of the balance of sick leave that exists as of June 30, 2013 as their maximum payout. Additional days can be earned and used while actively employed, but only the balance of sick leave up to the maximum number of sick leave days that exist as of June 30, 2013, would be paid out at retirement. Existing Administrators with less than one hundred (100) sick leave days as of June 30, 2013 and any Administrators added to the payroll after June 30, 2013 are limited to the payout of their actual balance of sick leave at retirement up to the one hundred (100) day limit.

Administrators with a sick leave balance over 100 days as of June 30, 2013:

Brendan P. Cregan – 112.50
James A. Dague – 110.38
Ronald G. Swantner – 159.50
Wilbur L. Stout, Jr. – 153.50

Example: An Administrator has 200 sick leave days as of June 30, 2013. While employed, the individual earns and uses sick leave, and at the time of retirement, has a balance of 180 sick leave days. The Administrator will be paid out the final balance of 180 sick leave days. If the individual instead has a balance at retirement of 220 sick leave days, they could only be paid out for the 200 sick leave day balance that existed as of June 30, 2013. There would be no value for the additional 20 days.

APPENDIX E – VISION – FUTURE CONSIDERATION

If the vision benefit remains in effect in the Collective Bargaining Agreement that begins July 1, 2015, the board at that time will consider revisiting the vision option for the Act 93 Administrative Compensation Plan.

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