

**SIDEBAR TO THE AGREEMENT BETWEEN
THE SAYREVILLE BOARD OF EDUCATION AND
SAYREVILLE EDUCATION ASSOCIATION**

WHEREAS, the Sayreville Board of Education (“Board”) and the Sayreville Education Association (“SEA”) (the Board and the SEA are hereinafter collectively referred to as the “Parties”) are bound by the terms and conditions of a collective bargaining agreement effective July 1, 2017 through June 30, 2020 (the “Agreement”); and

WHEREAS, the Parties agree to supplement the Agreement’s language in Article 26 – Insurance Protection;

NOW, THEREFORE, BE IT RESOLVED that on this 17 day of September, 2019, the Parties hereto agree as follows:

1. The Parties agree that Article 26, Insurance Protection, shall be amended as follows:

INSURANCE PROTECTION

D. Prescription

Prescription Drug Benefits will only be provided if the employee elects to enroll in the Prescription Drug Plan. The Plan will be offered to all eligible employees and their dependents for the July 1, 2017 to June 30, 2020 school years with the employee contributing in the amount established in section “H”, below. The Board will pay the remainder of the monthly premium until June 30, 2020.

In the event that the Board were to provide a “self-insured” program, within 7 months after the previous school year or by January 31st, the Board will negotiate the refund of any surplus fund balance (including the rebates and premium payments made by enrolled employees that exceeded what the district paid out for actual prescription claims) for employees enrolled in the previous school year’s program (Note: The initial negotiation for 2017-18 fund balance surplus took place on 8/19/19 and upon the formal agreement of these terms will be refunded to employees enrolled that year by November 15, 2019). During said negotiations, the Board is also entitled to negotiate an increase in prescription premiums if the claims and rebates reported during the first 6 months of the school year, compared to the last 5 years of claims experience, indicate the high probability of a deficit in the current program at the end of the school year. In the event of surplus fund balance, a refund will be calculated based on the enrolled employees’ Chapter 78 contribution rate applied to the formula written and illustrated with examples below. That amount will be refunded to them as a credit to their Chapter 78 contribution and will be received through a separate direct deposit highlighting the reimbursement no later than three months after said negotiation. Please note that the initial premium deposit paid to a new prescription vendor prior to beginning a self-insured program will only be refunded to enrolled employees once those funds have been reimbursed to the Board upon separation from the vendor, with the exception of those enrolled employees who retire from public education. In that case, they will be reimbursed, using the aforementioned formula within two months after their retirement.

Formula

- *End of Year Surplus divided by Total Premiums for the year = Percent of Surplus*
- *Percent of Surplus Multiplied by Monthly Premium Rates = Reduction to Monthly Premium Rates*
- *Monthly Premium Rates Subtract Reduction to Monthly Premium Rates = Revised Monthly Premium Rates*
- *Recalculate Monthly Premiums based on new rates and annualize for each employee based on their coverage selection including any changes made during the plan year.*
- *Apply the employees Chapter 78 Contribution percent from the correct plan year to their new revised rate = Revised Employee Contribution*
- *From Payroll records obtain the employee contribution that was paid during the plan year and subtract the Revised Employee Contribution = Amount to refund to the employee*

Example:

End of Year Surplus 17-18 \$352,545.47
 Total Premiums for 17-18 \$2,730,443.29

$352,545.47 / 2,730,443.29 = 12.91\%$

17-18 Rates		Percent of Surplus	Reduction to Monthly Premiums	Revised Monthly Premium Rates
Single	\$ 208.19	12.91%	\$ 26.88	\$ 181.31
Employee + Child	\$ 377.10	12.91%	\$ 48.68	\$ 328.42
Employee + Spouse	\$ 494.06	12.91%	\$ 63.78	\$ 430.28
Family	\$ 572.04	12.91%	\$ 73.85	\$ 498.19

Employee Example:

	Revised Monthly Premium	Revised Annual Premium	Chapter 78 %	Revised Employee Contribution	Payroll Contribution		Refund
John Doe	\$ 498.19	\$ 5,978.28	26%	\$ 1,554.35	\$ 1,784.76	\$1,784.76- \$1,554.35=	\$ 230.41

The Parties agree that the terms and conditions of Article 26 as set forth in this Agreement have been collectively bargained amongst and between the Parties.

This Agreement contains the entire Agreement and understanding between the Parties.

The Parties agree and acknowledge that Article 26, as revised by this Agreement, shall now include the above language in its entirety and be added to the language currently existing in the CBA under that Article.

If a specific clause of this Agreement is determined to be illegal or in violation of any Federal or State law, the remainder of the Agreement shall be deemed null and void, resulting in the language previously constituting Article 26 once again becoming effective.

The Parties have entered into this Agreement freely and voluntarily.

This Agreement is subject to formal Board approval.

IN WITNESS WHEREOF, the Parties hereunder set their hands and seals to this Agreement effective on the _____ day August, 2019.

SAYREVILLE BOARD OF EDUCATION

**SAYREVILLE EDUCATION
ASSOCIATION**

BY: _____
Kevin Ciak, President

BY: _____
Kenneth Veres, President