

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“Memorandum”) is made by and between the Monadnock Education Support Staff Association (the “Association”) and the Monadnock Regional School District (the “District”) (collectively, the “Parties”).

WHEREAS, the Association and the District are parties to a collective bargaining agreement effective from July 1, 2023 through June 30, 2026 (“CBA”); and

WHEREAS, the BC3TDR – RX 10/20/45 insurance plan is being eliminated effective June 30, 2025 and will be thereafter unavailable to employees or to serve as the driver plan to determine health insurance benefits; and

WHEREAS, the Parties wish to amend the CBA to address the elimination of the BC3TDR – RX 10/20/45 insurance plan and to resolve any and all related impacts on bargaining unit employees’ terms and conditions of employment

NOW, THEREFORE, the Parties agree as follows:

1. Modify Appendix E, Section 1, “Insurance” of the CBA as follows (changes from prior language shown in redline for ease of reference only):

### **APPENDIX E INSURANCE**

#### 1. HEALTH AND ACCIDENT INSURANCE

(A) ¶

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~~(B)~~ Employees who work less than 30 hours per week shall not be eligible to receive health insurance benefits. The District agrees that it will not hire employees to work less than 30 hours per week in order to avoid paying benefits.

(C) Until June 30, 2025 ~~During the 2021/2022 school year, the District will pay 81% of cost of the BC3TDR – RX 10/20/45 insurance plan for all employees working 30 hours or more per week. Effective the 2022/2023 school year,~~ the District will pay 80% of the cost of the BC3TDR – RX 10/20/45 insurance plan for all employees working 30 hours or more per week. ¶

~~(D)~~ ¶

~~(E) Employees who work less than 30 hours per week shall not be eligible to receive health insurance benefits. The District agrees that it will not hire employees to work less than 30 hours per week in order to avoid paying benefits. Until June 30, 2025,~~ eligible employee may enroll in health insurance coverage through one of the following health care plan options:

a. BC3TDR – RX 10/20/45

- b. AB20IPDED – RX 10/20/45
- c. AB5 – RX 10/20/45
- d. BC3T15IPDED – RX 10/20/45

(F) Effective July 1, 2025, all employees working 30 hours or more per week may enroll in health insurance coverage through one of the following health care plan options:

- a. Open Access 10 – RX 10/20/45
- b. AB20IPDED – RX 10/20/45
- c. AB5 – RX 10/20/45

For eligible employees who enroll in health insurance through the District, the District will pay eighty-one percent (81%) of the premium costs for the Open Access 10 – RX 10/20/45 plan; eighty-eight percent (88%) of the premium costs for the AB5 – RX 10/20/45 plan; or, ninety-four percent (94%) of the premium costs for the AB20IPDED – RX 10/20/45 plan.

(G) Employees may elect single, two (2) person or family coverage of plans offered.

(H) An employee must enroll as a member of one of the selections under the provision of B or (C) above in order to be eligible for benefits or contributions set forth herein.

(I) The difference between the Board's ~~maximum~~ contribution set forth and the actual cost to the Board to provide the coverage selected by an employee will be payroll deducted from the appropriate payroll period(s) by the Board.

(J) Coverage shall be effective the first day of the first month following an eligible employee's date of hire ~~the 40<sup>th</sup> calendar day~~.

(K) Any employee who chooses not to be enrolled in a District sponsored health insurance plan shall receive a yearly cash disbursement of ~~\$2,500 (for fiscal year 2023-2024)~~ or ~~\$5,000 (for any fiscal year after 2023-2024)~~ to be paid in equal installments divided between the number of bi-weekly payments for which the employee is eligible per Article 7.3, upon proof of coverage through an alternate employer-sponsored health insurance plan being provided to the Business Office. The disbursement amount shall be prorated for any employee who was not enrolled on alternative coverage through another employer-sponsored plan for the entire fiscal year.

(L) If any employee is enrolled in District health insurance through another District employee (i.e., where one employee is the primary subscriber and the second employee is enrolled under the primary employee's plan), the non-subscribing employee shall be eligible to receive a disbursement amount equal to the premium cost share paid by the subscribing employee, up to the cash disbursement amount that

the non-subscribing employee would be eligible to receive if they were enrolled in non-District health insurance

~~**Health Insurance Reopener and Fee Shifting Language**~~¶

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~~Notwithstanding the foregoing, the District and the Union agree that if the insurance premium cost for the BC3TDR—RX 10/20/45 insurance plan will trigger the application of the so-called “Cadillac Tax,” as it may be amended, the parties shall also follow the procedure below.~~¶

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~~i. It is agreed that the District or Union may immediately reopen this Agreement solely for the purpose of negotiating any changes in the health insurance plan(s) that may be necessary to avoid the application of the Cadillac Tax to the District or any plan administrator, insurer, risk pool or plan participant, or to assure that the plan is legally compliant. An initial bargaining session shall be held within ten (10) business days of a request to reopen, unless another schedule is agreed to by the parties. The District shall assist the Union in obtaining plan design and pricing information from insurance providers.~~¶

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~~ii. If within ninety (90) days of either party’s request to reopen this Agreement, the parties are unable to agree on changes in the health insurance plan(s) necessary to avoid the Cadillac Tax and/or achieve legal compliance, then the issue shall be submitted to expedited binding interest arbitration. The interest arbitration shall proceed as follows:~~¶

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~~1. The parties agree that the special nature of this issue may require an arbitrator with specific knowledge of the Affordable Care Act; therefore, the parties will make every effort to mutually agree on an arbitrator with such specialized knowledge. If the parties cannot agree upon an arbitrator, an arbitrator shall be selected using the procedures described in Article 9.5, Level D.~~¶

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~~2. The interest arbitration hearing shall be held no later than thirty (30) days after either party declares that the reopened negotiations on health insurance are at impasse, unless otherwise agreed to by the parties.~~¶

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~~3. The District and the Union shall each submit to the selected arbitrator a proposal for modifying the negotiated health insurance which shall avoid the Cadillac Tax and redistribute any savings realized as a result of changing insurance plans. The District and the Union shall exchange their proposals not less than ten (10) days prior to the arbitration hearing.~~¶

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~~4. The arbitrator shall be empowered to select either the District’s proposal or the Union’s proposal (“final offer” arbitration) and is expressly not empowered to fashion his or her own modifications to the negotiated health insurance plan.~~¶

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~~iii. Nothing in Appendix E shall be construed as requiring the District or the Union to submit any other dispute that may arise between them to interest arbitration or binding arbitration.~~

2. The Parties execute this Memorandum voluntarily with full understanding of its terms.
3. This Memorandum shall go into effect upon execution.

  
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Monadnock Education Support Staff Association

2-11-2025  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Monadnock Regional School District

2/15/25  
\_\_\_\_\_  
Date