

**MASTER CONTRACT  
BETWEEN  
THE BOARD OF SCHOOL TRUSTEES  
OF THE  
PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION  
AND  
THE PRAIRIE HEIGHTS EDUCATION ASSOCIATION**

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**August 11, 2015 – June 30, 2017**

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## **ARTICLE I**

### **Recognition**

- 1.10 The Board recognizes the Association as the sole and exclusive representative of all certificated school employees under contract by the Board, except for all assignment codes listed as administration and supervision by IDOE or state law. Once the current School Nurse leaves this position, this position will be changed to a classified position. The Board and Association agree that nothing contained in this agreement shall be construed to deny or to restrict the rights any employee may have under Indiana General School laws or other applicable laws and regulations.
- 1.11 The Board agrees to deduct from the salaries of teachers who are members of the Association the dues of such Association as such teachers voluntarily and individually authorize in fifteen (15) equal payments beginning with the second pay period in October, all as more fully governed by I.C. 20-29-5-6.
- 1.12 The Association shall be granted a total of six days annually for use by the Association President or the president's designee to perform work of the Association, including attending the Indiana General Assembly to lobby on matters of education concern. Not more than 2 of these days may be used on any one day that school is in session. The Association shall pay for the sub for half of the days.

## **ARTICLE II**

### **Fringe Benefits**

#### **2.10 Health Insurance**

- A. During the school year 2015-2016 and 2016-2017, the certified staff shall receive a board contribution towards their annual insurance premium (Plans 3, 4, 5 or 6) equal to \$5,205 for a Single Plan and \$12,412 for a Family Plan.
- B. Beginning teachers during the initial enrollment period may enroll in any available plan.
- C. The Board agrees to continue the payment of its premium contribution for teachers on unpaid leave who are already participating in the health insurance program for one month after the end of their paid status.
- D. A married couple, who are both certified employees of the Prairie Heights Community School Corporation and one of the married employees is currently enrolled in the Insurance Cafeteria Plan then he/she is eligible to have a yearly contribution be applied toward the Family Health Insurance Plan or to the approved Cafeteria Insurance Plan Programs.

#### **2.11 Dental and Vision Insurance**

Teachers may enroll in the dental and vision insurance program at their own expense through payroll deduction.

#### **2.12 Insurance Cafeteria Program**

- A. Teachers whose current employment commenced prior to July 1, 1999 and is currently enrolled in the School Corporation's Insurance Cafeteria Program may continue to participate in the School Corporation's Insurance Cafeteria Program.
- B. The teacher will be eligible to enroll and receive the Two Thousand Five Hundred Dollar (\$2,500) yearly contribution to be applied toward the approve Cafeteria Insurance Plan programs, listed below. If such a teacher has enrolled in the health insurance plan, the amount of the Board contribution to those single premium(s) will be deducted from the Two Thousand Five Hundred Dollars (\$2,500) allotment for Cafeteria Insurance Plan insurance programs.

1. Health;
2. Dental;
3. Vision;
4. Cancer;
5. Life;
6. Accident;
7. Short-Term Disability;
8. Post-retirement Life (PA life – only for existing participants – no new members)

C. Teachers whose current employment commenced on or after July 1, 1999, shall be entitled only to the Board premium contribution amounts in Section 2.10 if they are enrolled in the health insurance program. Such teacher may, however, elect at their own cost through payroll deductions to participate in the approved Cafeteria Insurance Plan program other than health.

2.13 Each member of the bargaining unit shall be covered by a term life insurance program, through the Paid Up Program will Madison National, paid by the Board that provides a minimum benefit of Fifty Thousand Dollars (\$50,000) except when insurance policy guidelines would prohibit payment.

2.14 The Board will provide the full cost (minus one dollar) for a long-term disability insurance plan with the following features: There shall be no more than a ninety (90) calendar day waiting period to qualify for benefits.

A. The maximum covered salary with a benefit level of 66 2/3% of the salary.

B. ISTRF disability payments shall not be offset nor shall increase in social security disability payments.

C. Coverage for nervous and mental disability shall be for at least five years.

D. The plan benefit shall have an annual cost of living adjustment for the full term of the disability period.

2.15 The Board will continue to provide a Section 125 Plan with Generation 1 and 2 features.

2.16 When a teacher incurs a job-related temporary disability or illness for which the teacher received Worker's Compensation insurance benefits, the Board shall pay the teacher the difference between the Worker's Compensation benefits and the basic salary for a period not to exceed ninety (90) calendar days. The teacher may then use accumulated sick leave at the teacher's discretion to make up the difference between the Worker's Compensation benefits and the basic salary for as long as the teacher has accumulated leave.

Sick leave payments under this section, when combined with Worker's Compensation benefits shall not exceed the teacher's basic salary per diem. Sick leave debits shall be calculated by dividing the teacher's per diem pay by the length of the workday. If the major portion of a sick leave day remains unused the expiration of this benefit, the whole day shall be credited to the teacher, and the converse rule shall apply.

2.17 Prairie Heights Retirement Savings Plan

A. The School Corporation will establish and maintain the Prairie Heights Retirement Savings Plan. This Plan will be a 401(a) qualified plan.

B. The School Corporation will contribute to every teacher under regular contract an amount equal to one and a half percent (1.5%) to the teachers account in the Prairie Heights Retirement Savings Program. This account will be separate from the account to receive contribution under Addendum B.

- C. The School Corporation's contribution will be made in two (2) payments. The first payment will be on or before January 1<sup>st</sup> and the second payment will be on or before July 1<sup>st</sup>.
- D. Teachers will have the option of continuing to invest their dollars in 403(B) plans already in existence subject to the strategy contribution limits.

### **ARTICLE III**

#### **Compensation**

- 3.10 The Teacher Compensation Model of teachers covered by this Agreement are set forth in the Appendix A attached to and incorporated into this Agreement.
- 3.11 Teachers authorized to use private automobiles in the conduct of official school business shall be reimbursed at the IRS mileage deduction rate in effect at the start of the school year. Reimbursement to such teachers shall be made at the end of each month and shall be computed according to the shortest distance between schools.
- 3.12 There will be some training and/or in-service during non-contracted hours (before and after the weekday, weekends, and summers) designed by the School Corporation as voluntary and teachers may participate in such training and will do so without reimbursement. Also, there will be other training &/or in-service during non-contracted hours where the School Corporation offers a stipend. Voluntary activities designated by the School Corporation as having a paid stipend will be paid at \$20.00 per hour.
- 3.13 The salary for a retired teacher shall be based upon their education (degree) plus seven years of experience according to the hiring schedule (Addendum A-1). Retired teachers hired before August 1, 2015 shall be grandfathered at their current rate.
- 3.14 In-house substitutions shall be at the administrator's and teacher's discretion. The subject teacher shall be paid at the rate of \$15.00 per class period covered, and \$10.00 per thirty minutes of lunch supervision.

### **ARTICLE IV**

#### **Leave Policies for Professional Staff**

- 4.10 Sick Leave: A teacher shall be credited with ten (10) days leave without loss of compensation at the beginning of the first year of teaching, and seven (7) days sick leave without loss of compensation at the beginning of each school year thereafter. Absences caused by the personal illness of a teacher or a member of the teacher's immediate family shall be debited against such sick leave.
  - A. Sick leave days accumulated by a teacher prior to a leave of absence shall be credited to the teacher upon return.
  - B. Teachers shall be given a written accounting of accumulated sick leave by October 1, of each school year.
  - C. Unused annual sick leave shall accumulate to not more than ninety (90) days, as per I.C. 20-28-9-9, as of June 30, 2011, for all employees who have ninety (90) days or less carried on the records as of June 30, 2011. For employees who have more than ninety (90) days on the school's records as of June 30, 2011, they shall carry forward on the records said ninety (90) days, and further, one day for every three days on the records more than ninety (90) days. This number shall become that employee's maximum days to be accumulated.

At the start of each school year, a teacher will have their accumulation up to the maximum and any additional leave entitlement for that school year. The maximum limit sick leave will be

applied at the end of each school year. Unused days exceeding the maximum shall be deleted from the employee's balance at that time.

- D. A teacher who is granted an unpaid leave of absence during the regular school year shall have sick leave credits for that year reduced by one (1) day for each full month of absence, not to exceed seven (7) days. If the teacher returns from an extended leave of absence before the end of the school year, he/she will receive one sick leave day for each remaining month, not to exceed seven (7) days for one year.
- E. A teacher employed under contract for only a portion of the school year shall be entitled to a proportionate number of days of sick leave and unused days shall be cumulative.
- F. A teacher who has accumulated one (1) or more sick leave days in another corporation(s) and has not been used to transfer to any other school corporation may transfer those days to the School Corporation on the following basis:
  - 1. The teacher's first and second year at Prairie Heights – transfer up to three (3) days per school year;
  - 2. The teacher's third and fourth year at Prairie Heights – transfer up to four (4) days per school year; and
  - 3. The teacher's fifth and subsequent years at Prairie Heights – transfer up to five (5) days per school year.

#### 4.11 Sick Leave Bank:

Section 1. The Board recognizes a sick leave bank to be administered by a committee with two members appointed by the Board and three members appointed by the Association.

Section 2. The committee established by Section 1 above and the Superintendent will formulate through mutual agreement accounting and reporting procedures and negotiations.

Section 3. By October 1, of each year, any teacher may elect to donate two (2) days of his/her annual sick leave days to a sick leave bank. Such election should be in writing and be irrevocable.

Section 4. Any teacher who is unable to work due to personal illness or physical disability, who has exhausted all sick leave accumulation and who is not receiving any public funds or benefits derived from public funds as partial or full compensation for the illness or disability causing the absence and who is not eligible for long term disability, shall be eligible for sick leave bank credits.

Section 5. If the total number of days in the sick leave bank falls to less than sixty (60), additional days may be donated.

Section 6: Any teacher qualifying under the above paragraph will be eligible for up to thirty (30) days credit out of the sick leave bank in any one year with the approval of the joint committee except under extenuating circumstances and at the discretion of the joint committee additional days in excess of thirty (30) may be granted.

Section 7: Repayment of the days withdrawn from the sick leave bank shall be made by the teacher at the rate of two (2) days per year until the days have been repaid.

- 4.12 In case of death in the immediate family, a teacher shall be entitled to be absent without loss of compensation for not more than five (5) days to be taken within thirty (30) days of the death. Immediate family is defined as: parents, step-parents, grandparents, brother and sisters, children,



grandchildren, or the same relative by marriage, spouse, and any legal dependent who was living in the teacher's household at the time of the death.

In case of death of an aunt, uncle, niece, nephew, or cousin, a teacher shall be entitled to be absent without loss of compensation for not more than two (2) days to be taken within thirty (30) days of the death.

- 4.13 **Professional Leave:** Within budget limitations, the Superintendent may upon a request by a teacher, authorize an allowance for travel, housing and meals. During the contract year, full compensation of daily salary shall be paid to any such teacher who is authorized to be absent for the purpose of attending educational workshops or professional meetings.
- 4.14 **Jury Duty Leave:** A teacher who is summoned to and serves on jury duty shall be paid the difference between his/her basic salary and his/her jury duty pay.
- 4.15 **Personal Leave:** A teacher shall be granted four (4) days of personal leave without loss of compensation each school year, subject to the following conditions:
- A. A request for personal leave shall be made at least two (2) school days prior to such leave, except in cases of demonstrable emergency.
  - B. Unused personal days shall not accumulate. Unused days will be transferred to the teachers' accumulated sick leave account.
  - C. Personal leave may not be used to start or extend school holidays, breaks, or vacations.
- 4.16 **Temporary Disability:** Whenever sick leave is to be taken for hospitalization planned in advance of a teacher's absence, and/or for convalescence or recuperation from a physical disability the teacher's attending physician must certify the cause of the disability and the expected period the teacher will be unable to work because of that disability.
- A. The Board also may require a medical certificate of fitness before returning a teacher to his/her normal school duties following illness or physical disability.
  - B. Female disabilities caused or attributed to a pregnancy, miscarriage, legal abortion, childbirth and recovery there from, shall be treated as temporary disability for all job-related purposes. Accumulated sick leave shall be available to a teacher during periods of such disability when she is unable to work because of her condition. To be eligible for sick leave benefits, a teacher's attending physician must certify that her pregnancy prevents her from performing her normal school duties. However, there will be a presumption that the teacher is disabled for six (6) calendar weeks following the delivery of a child. Should a teacher desire to utilize sick leave beyond this period where there is a presumed disability then the physician certification must be provided.
- 4.17 **Adoptive Leave:**
- 1. **Paid Leave** – a teacher who legally adopts a child under the age of eighteen (18) shall be able to use up to thirty (30) days of their accumulated sick leave days during the adoptive process or immediately following the adoption. If a teacher, as part of the adoption process, is required to travel outside the United State and Canada, then that teacher will receive up to an additional five (5) accumulated sick leave days. This is contingent upon the teacher having enough accumulated sick leave days to receive paid leave.
- 4.18 **Family Medical Leave Act:** Teacher shall have the right to both personal and family sick leave as provided in 4.10, 4.11, 4.12 and/or 4.17 and the appropriate designated benefits provided by the Family and Medical Leave Act ("FMLA")

**ARTICLE V**

**Effective Date**

This agreement shall be effective as of August 11, 2015 and shall continue in effect through June 30, 2017.

This agreement is made and entered into as of the 21 day of September, 2015 by and between the Board of Education of the Prairie Heights Community School Corporation and the Prairie Heights Education Association, both of Steuben and LaGrange Counties, Indiana, and so attested to by their duly authorized signatures.

**BOARD OF EDUCATION OF THE  
PRAIRIE HEIGHTS COMMUNITY  
SCHOOL CORPORATION**

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Vice-President

  
\_\_\_\_\_  
Secretary/Treasurer

9-21-15  
\_\_\_\_\_  
Date

**PRAIRIE HEIGHTS EDUCATION  
ASSOCIATION**

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Bargaining Member

\_\_\_\_\_  
Bargaining Member

9/22/15  
\_\_\_\_\_  
Date



## **ADDENDUM A** **TEACHER COMPENSATION MODEL**

### **Section 1: Base salaries**

For the 2015-2016 school year, all full-time or part-time teachers who received a performance rating of Effective or Highly Effective from Prairie Heights for the 2014-2015 school year will receive an additional \$1500.00 added to their base salary. However, no new money will be paid until January of 2016. Teachers will receive a lump sum stipend once evaluations are finalized, but no sooner than January, 2016, for the new money that would have been received from September-December 2015. For the remaining months, the money will be prorated with the remaining pays.

In 2016-2017, each full-time or part-time teacher who received a performance rating of Effective or Highly Effective from Prairie Heights for the 2015-2016 school year will receive an additional \$300.00 added to their base salary once evaluations are finalized.

Effective September 1, 2015, all newly hired teachers with only a bachelor's degree and no prior teaching experience will be placed at a salary of \$35,069.

Except the Superintendent has the discretion in the case of academic need to go up in pay four (4) categories on the Addendum A.1 Hiring Schedule, and if same is deemed insufficient, the Superintendent shall meet with the bargaining team, discuss same, and reach a mutual agreement concerning the starting salary for high needs and/or specialty job classifications.

### **Section 2: Performance Compensation**

Each teacher will be eligible for specific performance compensation in the following three defined categories; the performance compensation of a teacher will be the addition of part A, B, & C below:

A. Evaluation: Full-time or part-time teachers evaluated as Effective in a given school year will receive an additional stipend of \$425.00. Full-time or part-time teachers evaluated as Highly Effective in a given school year will receive an additional stipend of \$475. Teachers receiving an Ineffective or Needs Improvement will not receive a stipend or increase in pay in a given school year.

B. Any teacher choosing to retire shall notify the Superintendent by January 2<sup>nd</sup> of their last school year regarding their intent to be evaluated or not. If not, no performance payment will be made. If so, and the criteria available on June 30<sup>th</sup> indicates the retiring teacher would be rated effective when all criteria is received, the retiring teacher shall receive \$300.00 with their last paycheck.

C. Attendance Incentive: In 2015-2016, for each new sick or personal day a teacher accumulated at the end of the 2014-2015 school year, he/she will receive \$75.00 per day with the maximum of (11) days, for a maximum of \$825.00. These days will still be accumulated per section 4.10.C of this contract.

This will be the end of the attendance incentive.

In a given year, the previous year's data will be used to determine the amount of a teacher's performance compensation. That is, in the 2015-2016 school year, the performance compensation will be determined using evaluations and accumulated days from the 2014-2015 school year. For 2016-2017, evaluations and accumulated days will come from the 2015-2016 school year. Performance compensation will be paid only in subsequent years based strictly on the data as determined in the previous year.

The performance compensation to be paid in a given year will be made within sixty (60) days of the IDOE school performance data release. Only active teachers, employed on such date, shall receive performance compensation. Teachers who are paid from funds other than General Fund will receive the same amount of performance compensation as someone paid from the General Fund earning the same amount of performance compensation. Any teacher on a partial contract, who is eligible for performance compensation, will receive a pro rata share of performance compensation relative to the percentage of their contract to a full contract.

Section 3: All performance compensation listed in Section 2 will be provided as a “stipend” only.

Any money that is budgeted for performance pay that is left over after paying all eligible employees will remain in the general fund.

**ADDENDUM A.1**

**HIRING SALARY SCHEDULE**

<b>EXP.</b>	<b>(1) BACHELORS</b>	<b>(3) B+18 Hours, 270 CRU's or Equiv.</b>	<b>(2) MASTERS BA+36 Hrs. 540 CRU's or Equiv.</b>	<b>(4) M+18 Hours BA+54 Hrs. 840 CRU's or Equiv.</b>
0	\$35,069	\$35,138	\$35,203	\$36,085
1	\$35,565	\$35,792	\$36,017	\$36,916
2	\$36,062	\$36,449	\$36,834	\$37,754
3	\$36,553	\$37,101	\$37,649	\$38,588
4	\$37,051	\$37,754	\$38,463	\$39,424
5	\$37,545	\$38,407	\$39,279	\$40,261
6	\$38,025	\$39,058	\$40,092	\$41,094
7	\$38,534	\$39,719	\$40,906	\$41,930
8	\$39,029	\$40,376	\$41,723	\$42,762
9	\$39,523	\$41,031	\$42,536	\$43,669
10	\$40,082	\$41,714	\$43,350	\$44,433
11	\$40,515	\$42,340	\$44,162	\$45,268
12	\$41,217	\$43,189	\$45,157	\$46,285
13	\$41,938	\$44,040	\$46,142	\$47,297
14	\$42,646	\$44,892	\$47,135	\$48,315
15	\$47,217	\$47,672	\$48,128	\$49,333
16	\$47,827	\$48,282	\$49,365	\$50,600
17			\$50,603	\$51,867
18			\$51,842	\$53,137
19			\$53,077	\$54,404
20			\$54,313	\$55,677
21			\$59,437	\$60,923
22			\$60,047	\$61,533

## ADDENDUM B

### A. Entitlement to Retirement Benefits, Vesting Requirements

Upon retirement from the Prairie Heights Community School Corporation, a teacher shall be fully vested in the retirement benefits described in this Article if the retiring teacher has satisfied the following requirements:

1. On or before August 1 of the school year of the teacher's anticipated retirement, the retiring teacher must be at least fifty-five (55) years of age. Furthermore, immediately prior to retirement, the teacher must have completed not less than ten (10) full years of service as a professional educator with the Prairie Heights Community School Corporation.
2. When a teacher is considering retirement, such consideration shall be communicated to the Superintendent by March 1 of the school year of the teacher's anticipated retirement. The retiring teacher must submit a written unconditional and irrevocable letter of resignation to the Superintendent at least ninety (90) days prior to the effective date of the teacher's retirement. However, in the event a teacher is unable to give the required notice/letter because of an accident, ill health, or for another unforeseen reason, the foregoing provisions of this Subsection B. 2. may be waived by the Board, at its sole and absolute discretion.
3. The retiring teacher must not terminate employment during the middle of a semester. The date of retirement must be on or after the end of one semester and before the commencement of the next semester unless the teacher must terminate employment during the middle of a semester due to death or due to illness or disability, as substantiated by the statement of a licensed physician.

### B. Actuarial determination of Value of Current Retirement Pay and Bridge Benefits

The Board and the Association selected The Nyhart Company ("Nyhart") to determine the present value of the unfunded Retirement Pay and Social Security and Medicare Bridge Benefits, as described in the Agreement immediately before July 1, 2003, ("Retirement Pay"). Nyhart shall prepare the present value calculations for each eligible teacher. By joint determination of the Board and the Association, the calculated totals for each eligible teacher may be incorporated as part of this amendment or maintained as a separate document.

In making the present value determinations, Nyhart shall use the following assumptions and those other assumptions contained on the attached data input form:

1. Mortality, for discounted values, the UP94 (Uninsured Pensioner) mortality table will be used.
2. Interest Rate. The assumed interest rate for purposes of determining the present value is 4.5% for the first three years of the calculations and then 7.0% for each subsequent year thereafter.
3. Turnover. With respect to the eligible teachers for whom present value calculations will be made, there was an assumed rate for termination of employment of 5.4% for each school year.
4. Retirement Pay. The anticipated amount of the Retirement Pay will be determined by using the amount of annual benefit described in Sections 6.16 and 6.17 of the prior Agreement, which are now located in Appendix C of the Master Agreement. Furthermore, the amount determined for Section 6.16 shall be larger of option A or B, as described therein.
5. Retirement Age. It is assumed that a teacher terminates employment at the end of the school year in which the teacher attains age 58 or at the end of the current year, if the individual is already 58 or older. However, if a teacher continues employment after the attainment of age 58 or older, this does not preclude the teacher from sharing in any future forfeiture.
6. Adjustments. Unused accumulated sick leave days and accumulated years of service shall be considered in the determination of the present value of the future Retirement Pay, but subject to the following adjustments:
  - (a) Each teacher will be deemed to accrue an additional five (5) days of sick leave for the 2003/2004 school

year and for each subsequent school year through, but not beyond, the school year in which the teacher would attain age 58. For purposes of these calculations, the deemed accumulation of sick leave shall not exceed the current individual limit on sick leave accumulations. For those teachers who are currently at least age 58, no further accruals of unused accumulated sick days will be assumed to occur.

- (b) Each teacher will be deemed to accrue an additional year of service for the current school year and for each subsequent school year through, but not beyond, the school year in which the teacher attains age 58. For those teachers who are currently at least age 58, no further accruals of years of service will be assumed to occur.
- (c) The teacher's base salary rate will be increased by assumed years of service, but there shall be no assumed increase for future inflation.
- (d) The present value of the future Retirement Pay will be reduced by the Social Security and Medicare taxes (FICA) that would have been payable if the Retirement Pay of Sections 6.16 and 6.17 of the Agreement had subsequently been paid directly to the teacher.

- 7. **Post-Retirement Insurance.** Pursuant to other provisions of the Agreement and applicable state and federal law, qualified retired teachers shall be entitled to continue their participation in group health insurance and other insurance programs maintained by the School Corporation at the time of their retirement. However, the School Corporation has no obligation to pay any of the premiums or other costs of a retired teacher's continuing participation in these insurance programs. Therefore, the present value determination shall not include any post-retirement insurance expenses.
- 8. **Excluded Employees.** Teachers hired on or after the effective date shall not be entitled to any payment or contribution for the eliminated Retirement Pay or Bridge Benefits. Furthermore, teachers that currently work, on average, less than 50% of the time of a teacher on a full-time contract are not entitled to any payment or contribution for the eliminated Retirement Pay, Bridge Benefits.
- 9. **Rehired Employees.** Amounts forfeited upon termination of employment because of the failure to meet the applicable vesting requirements shall not be reinstated or restored if an individual is subsequently rehired or re-employed by the School. However, if the Board shall have approved a leave of absence, such period of leave shall not result in forfeiture provided the teacher shall promptly return to employment following the expiration of the period of leave. Furthermore, for purposes of this item 9, a teacher shall be deemed to be on an approved leave of absence while the teacher remains on recall status following a reduction in force, but for no more than three (3) school years.
- 10. **Calculation Date.** The present value of the Retirement Pay under the Prior Agreement shall be calculated, effective as of June 30, 2003.

#### C. 401(a) Plan Contributions

The School shall establish a qualified retirement plan as described in section 401(a) of the code (the "401(a) Plan"). The amount calculated in accordance with Subsection C for the Retirement Pay for a particular teacher shall be contributed to by the School to the 401(a) Plan. A committee of the Board and the Association shall select the single investment vendor, for the 401(a) Plan's terms and conditions will be determined by the School Corporation, except that the following applied:

- 1. **Separate Accounts.** The amount calculated for each teacher will be invested in a separate account. There will be no commingling of accounts and each teacher may determine how his or her 401(a) Plan account shall be invested among the investment options made available by the selected investment vendor for the 401(a) Plan.
- 2. **Vesting.** Until such time that a teacher has retired and satisfied the eligibility requirements set forth in Subsection B of this Section, the teacher shall have no access to the assets held in his or her separate 401(a) Plan account.
- 3. **Forfeiture.** If a teacher retires or otherwise terminates employment before satisfaction of the requirements



set forth in Subsection B of this Section, for any reason, including, but not limited to death, the terminated teacher's 401(a) Plan account shall be forfeited. The forfeited amounts shall not be returned to the School Corporation. Instead, forfeited amounts shall be reallocated at the end of each plan year only among the remaining separate 401(a) Plan accounts in the same manner as was used by Nyhart in originally determining the present value of the Retirement Pay. Therefore, the 401(a) Plan accounts of the following employees will not share in the reallocation of a forfeiture of a 401(a) Plan account:

- a) Employees who have forfeited their 401(a) Plan accounts in the same year;
- b) Employees who previously forfeited their 401(a) Plan accounts; and
- c) Employees who have attained age 58 and terminated employment in or before the year of the reallocated forfeiture.

Furthermore, 401(a) Plan accounts of employees who have attained age 58, but not terminated employment may share in the reallocated forfeiture, but on a reduced basis and otherwise determined in the same manner as was used by Nyhart in originally determining the present value of the unfounded Retirement Pay.

These redistributions will be made on or before October 15<sup>th</sup> of each year. The School Corporation will provide the Association information concerning the forfeitures and redistribution.

4. **Distributions.** Following retirement and the satisfaction of the requirements set forth in Subsection B of this Section, a retired teacher may elect to commence distributions from his or her 401(a) Plan account. If a teacher shall die after having satisfied the requirements of Subsection B of this Section, the deceased teacher's 401(a) Plan account shall be distributable to the decedent's designated beneficiary or to his/her estate if no beneficiary designation has been made. At no time may a participant borrow from his/her 401(a) Plan account.
5. **Costs.** The School Corporation shall not be paid any compensation for its services performed on behalf of the 401(a) Plan. However, to the extent allowed by applicable law, all costs and investment fees incurred in the administration of the 401(a) Plan shall be paid or reimbursed from the 401(a) Plan assets.
6. **Additional Plans.** The School Corporation may establish other qualified plans as described in section 401(a) of the code, subject to such terms and conditions as the School Corporation shall determine, in its sole discretion, to be appropriate. Such additional plans may be maintained separate from the 401(a) Plan or for administrative convenience maintained as part of the 401(a) Plan.