

LETTER OF AGREEMENT

**Subject: Salary and Retirement/6% Cap Issue
December 3, 2007**

1. This letter of agreement is entered into by and between the Classroom Teachers' Council (the "CTC") and the Board of Education of Community Consolidated School District 15 (the "District") effective the 3rd day of December, 2007. The District shall reimburse all CTC bargaining unit members whose wages were reduced due to the District's application of its interpretation of the retirement eligibility clause (Appendix A) and/or the Retirement Incentive Option Plan ("RIOP") (Appendix B) calculations. Such reimbursement shall be paid no later than December 14, 2007 and shall be paid in a check separate from the regularly scheduled payroll check. RIOP reimbursements shall be included in the base calculations for any future RIOP payments.
2. The wages returned to the CTC bargaining unit members will be appropriately reported to the Teachers' Retirement System ("TRS") as creditable earnings for the school year in which the wages were earned, to the extent permitted by TRS.
3. Article XX of the CTC Negotiated Agreement Section B. Retirement Incentive Option Plan shall be amended (see complete article below) to include:
 - 1.d. Any Teacher who initially submits a notice of intent to retire and elects to participate in the Retirement Incentive Option Plan for a period of one (1), two (2), three (3), or four (4) years, but later elects to retire prior to the completion of the elected period, will be obligated to reimburse the District any retirement incentives the District paid to the Teacher due to the previously submitted notice of intent to retire (i.e., above what his/her placement on the negotiated salary schedule plus extra duty stipends would have been as compared to Teachers not part of the RIOP). However, the Teacher will NOT be obligated to reimburse the district if he/she meets both of the following criteria:
 - i. The Teacher will be age 60 or have 35 years of TRS creditable service at the time of his/her retirement with TRS; and
 - ii. None of the creditable earnings paid to the Teacher during the four (4) years used in calculating the Teacher's TRS annuity is in excess of a 6% increase of TRS NON-EXEMPT creditable earnings over the previous year's creditable earnings.

See examples in Appendix C.

- 2.a. Any teacher who elects to participate in the Retirement Incentive Option Plan for a period of less than four (4) years must not have

received an increase of greater than 6% in non-exempt TRS creditable earnings in the school year(s) immediately preceding the proposed start of the Retirement Incentive Option Plan by the following schedule:

Three (3) year RIOP – One (1) year prior
Two (2) year RIOP – Two (2) years prior
One (1) year RIOP – Three (3) years prior

4. Article XXIII of the CTC Negotiated Agreement Section C. shall be deleted (see complete article below). Therefore, any Teacher whose creditable earnings were capped at a 6% increase for the 06-07 or 07-08 school years shall no longer be capped at that amount, which will be reflected in the December 14, 2007 paycheck.
5. Any Teacher who elects to participate in the RIOP shall be required to sign a RIOP promissory note (Appendix D).
6. All Teachers whose RIOP notice of intent to retire have been approved prior to the signing of this Letter of Agreement (See Appendix E) shall be exempt from the additional conditions included in this agreement.
7. The District shall accurately report creditable earnings to TRS based upon the year in which creditable earnings were earned, to the extent permitted by TRS.
8. The District shall meet with bargaining unit members, upon request by any Teacher, to discuss individual retirement options and estimate each member's yearly creditable earnings increases. The bargaining unit member shall have the right to have CTC representation at such meeting.
9. Benefits provided under Article XX: Retirement Benefits Section B: Retirement Option Plan include benefits that extend beyond the expiration of the CTC Negotiated Agreement 2006-2009, to the extent a Teacher's request to participate in such retirement benefits was approved by the District prior to the expiration of the 2006-2009 Negotiated Agreement.

ARTICLE XX

Retirement Benefits

- A. The following contains two (2) options for Teachers to elect for retirement. Teachers can elect to participate in only one of the mutually exclusive retirement plans; the Retirement Incentive Option Plan or the Early Retirement Option Plan.
- B. Retirement Incentive Option Plan
1. To be considered for this retirement benefit, the Teacher must:
 - a. have completed the equivalent of a minimum of ten (10) years of full-time employment with the District;
 - b. be eligible to retire with the Teachers' Retirement System (TRS) with either 35 years of TRS creditable service or 60 years of age: and
 - c. submit an irrevocable letter of intent to retire to the Superintendent, no later than February 1st of the school year prior to the beginning of this option (except for those who wish the option to begin in the 2006-2007 school year, in which case such letter shall be submitted no later than February 1, 2007).
 - d. Any teacher who initially submits a notice of intent to retire and elects to participate in the Retirement Incentive Option Plan for a period of one (1), two (2), three (3), or four (4) years, but later elects to retire prior to the completion of the elected period, will be obligated to reimburse the district any additional retirement incentives the District paid to the Teacher due to the previously submitted notice of intent to retire (i.e., above what his/her placement on the negotiated salary schedule plus extra duty stipends would have been as compared to Teachers not part of the RIOP), However, the Teacher will NOT be obligated to reimburse the district if he/she meets both of the following criteria:
 - i. The Teacher will be age 60 or will have 35 years of TRS creditable service at the time of his/her retirement; and
 - ii. None of the creditable earnings paid to the Teacher during the four (4) years used in calculating the Teacher's TRS annuity is in excess of a 6% increase of TRS NON-EXEMPT creditable earnings over the previous year's creditable earnings.

(See examples in Appendix C).
 2. Teachers who wish to retire under this provision will be placed on an alternative salary schedule and receive an increase of six percent (6%) over the prior year's creditable earnings for a maximum of four (4) years.

In addition, Teachers shall receive any and all increases in creditable earnings exempt from “excess salary contributions” under Section 16-158(f) of the Pension Code. A voluntary reduction in workload, which results in a reduction of salary, shall require pro-ration of that year’s retirement incentive dollars, but does not alter the 6% increase. For example, if a Teacher voluntarily reduces his/her workload to 75%, then the previous year’s salary would be increased by 6% and the Teacher would then receive 75% of that amount.

- a. Any teacher who elects to participate in the Retirement Incentive Option Plan for a period of less than four (4) years must not have received an increase of greater than 6% in non-exempt TRS creditable earnings in the school year(s) immediately preceding the proposed start of the Retirement Incentive Option Plan by the following schedule:

Three (3) year RIOP – One (1) year prior
Two (2) year RIOP – Two (2) years prior
One (1) year RIOP – Three (3) years prior

3. Retirement Insurance Program

Retirees under the Retirement Incentive Option Plan shall not be eligible to remain on District insurance, except in accordance with COBRA. In consideration for the irrevocable notice of intent to retire and retirement under TRS and the contractual Retirement Incentive Option Plan, the District shall make a four (4) year cash payment (as a contribution toward TRIP or other non-District insurance) following retirement in the amount of three hundred seventy five (\$375) per month for single and an additional two hundred fifty dollars (\$250) per month for a Teacher’s spouse. In lieu of monthly insurance contributions, the retiree may elect a cash payment made in a lump sum payment within thirty (30) days following retirement, in the amounts of eleven thousand two hundred fifty (\$11,250) for single and seven thousand five hundred dollars (\$7,500) for a Teacher’s spouse. Monthly installments will be made on the fifteenth (15th) of each month. To be eligible for either the monthly contribution or the lump sum payment, the Teacher and/or spouse, if applicable, must have been enrolled in the District’s insurance plan for at least two (2) school years immediately preceding the date of the Teacher’s retirement from the District.

C. TRS Early Retirement Option

For Teachers who elect the TRS Early Retirement Option, the Board will pay the employer contribution per the applicable TRS statute and the Teacher’s contribution (with the Board payment of the Teacher’s contribution capped at the 7% formula, based on years of service and age, of the old ERO contribution schedule) lump sum payments required to participate in the TRS early retirement program. The deadline for submitting early retirement requests is February 1st. This option may be limited at the discretion of the

employer to a specified percentage, not lower than twenty percent (20%) of those eligible based on seniority in the service of the employer.

ARTICLE XXIII

Salaries

A. A Teacher's per diem rate shall be the Teacher's annual salary divided by the 185 (2006-2007), 184 (2007-2008), 183 (2008-2009) work days in the school term.

B. Salary Schedules

The salary schedules shall be Appendixes A-1, A-2, and A-3 of this Agreement. Each year Teachers will be appropriately placed on the salary schedule as determined by years of experience credit (step).

2006-2007	base salary increase of 2.12% (inclusive of a .45% increase to TRS – salary is inclusive of the full 9.4% TRS and .8% THIS contributions)
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2007-2008	base salary increase of 2.13%
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2008-2009	base salary increase of 2.13%
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C. Horizontal Movement

With the approval of the Superintendent or designee, Teachers not in a master's degree program will be permitted to earn graduate course credit sufficient to move to the BA+16 and BA+24 lanes of the salary schedule. With the approval of the Superintendent or designee, Teachers not in a doctoral or second master's degree program will be permitted to earn graduate course credit sufficient to move to the MA+15 and MA+30 lanes of the salary schedule. Courses may be in the field of the Teacher's current assignment or in a field which qualifies the Teacher for another assignment in the school District. When submitting requests for approval, Teachers must state the purpose for taking any course outside their current teaching assignment.

D. BA Lane Limitations

1. Beginning with the 1990-91 school year, Teachers with 14 or less years of credited salary schedule experience with District will not be allowed to move to a cell in the BA lane beyond step 14 (below position A).
2. Beginning with the 1991-92 school year, Teachers with 11 or less years of credited salary schedule experience with District 15 will not be allowed to move to a cell in the BA lane beyond step 11 (below position B).

3. Beginning with the 1992-93 school year, Teachers with 9 or less years of credited salary schedule experience with District 15 will not be allowed to move to a cell in the BA lane beyond step 9 (below position C).
4. Teachers having 15 or more years of credited experience with District 15 at the beginning of the 1990-91 school year will be unaffected by this provision.

E. BA+16 Lane Limitations

1. Beginning with the 1990-91 school year, Teachers with 15 or less years of credited salary schedule experience with District 15 will not be allowed to move to a cell in the BA+16 lane beyond step 15 (below position A2).
2. Beginning with the 1991-92 school year, Teachers with 13 or less years of credited salary schedule experience with District 15 will not be allowed to move to a cell in the BA+16 lane beyond step 13 (below position B2).
3. Teachers having 16 or more years of credited experience with District 15 at the beginning of the 1990-91 school year will be unaffected by this provision.

F. Pay

1. Paychecks shall be issued bi-monthly on the 15th and the last day of the month. If a regular pay date during the school term falls on a day when school is not in session, employees shall receive their checks on the last day prior thereto. During the summer, checks shall be mailed so that they will reach employees on the appropriate payday. Teachers will receive salary in 24 equal installments beginning with the first pay period in September.
2. Teachers will be given the opportunity to direct deposit paychecks into the PCU Credit Union plus one other financial institution of his/her choice. Paychecks and electronic deposit must be received no later than the scheduled pay date.
3. The Administration shall e-mail to each Teacher's email address on file, their paycheck statement (automatic/electronic deposit)
4. No Teacher shall take a pay loss as a result of the new salary schedule.

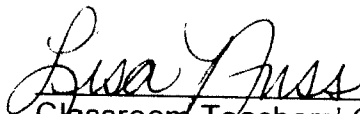
G. Years of Experience Credit

1. When the District hires a Teacher with previous teaching experience, the District shall place the newly-hired Teacher on a lane and step corresponding to his/her previous experience and education, but shall not

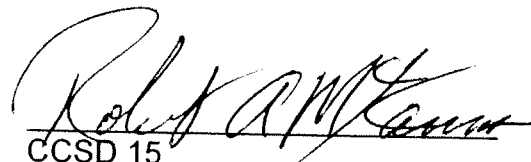
grant more than five (5) years of experience credit unless additional credit is required by special circumstances, in which case the administration will notify the CTC.

2. The District shall provide, through the Board packet, the CTC with the names and salary schedule placement for any employee hired.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement this 8th day of January 2008.



Classroom Teachers' Council
Lisa Nuss
President



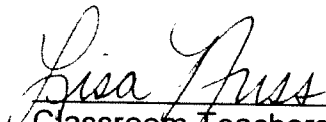
CCSD 15
Dr. Robert McKanna
Superintendent of Schools

Grievance Settlement Agreement

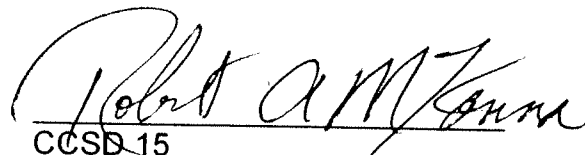
Salary and Retirement
January 8, 2008

This grievance settlement agreement is entered into by and between the Classroom Teachers' Council (the "CTC") and the Board of Education of Community Consolidated School District No. 15 (the "District"). It is agreed that:

1. The District and CTC shall jointly agree to the terms and conditions contained in the Letter of Agreement (Salary and Retirement) dated December 3, 2007.
2. The CTC shall withdraw, with prejudice, Grievance #1-2006-2007, Grievance #3-2006-2007, Grievance #4-2006-2007, Grievance #5-2006-2007, Arbitration #51 390 00977 07, and Unfair Labor Practice charge #2007-CA-0079-C.
3. Any administrative cost, including the arbitrator's cancellation fee, incurred by withdrawing the arbitration shall be shared equally between the District and the CTC.



Classroom Teachers' Council
Lisa Nuss
President



CCSD 15
Dr. Robert McKanna
Superintendent of Schools

APPENDIX C

Reimbursement Calculation Examples

RIOP PAY BACK EXAMPLE

Mary Smith is a teacher who has elected a four-year RIOP to begin 2008-2009, with retirement scheduled to occur the end of the 2011-12. However, due to personal circumstances, which arose during the 2010-2011 school year, Mary informs the District that it is necessary to retire one year earlier, effective the end of the 2010-2011 school year. The following are fictional salary numbers created by using past and present salary schedules from District 15 as though the schedules were in place during the years specified below.

Mary's salary schedule information, had she remained in the four year RIOP plan, is as follows:

- Two years prior to RIOP (2006-2007), Mary was on Step 19 of the MA+15 Lane and her total creditable earnings were \$79781.
- One year prior to RIOP (2007-2008), Mary moved to the MA+30 lane due to approved graduate credits earned by Mary. She also moved to Step 20 due to another full year of service with the District. Her 2007-2008 total creditable earnings increased to \$88,730.
- Under Mary's original four year RIOP plan her creditable earnings would have increased by 6% each year of the four years as follows:

2007-2008 Base Year	=	88730
2008-2009 1 st RIOP Year	=	94053
2009-2010 2 nd RIOP Year	=	99697
2010-2011 3 rd RIOP Year	=	105678
2011-2012 4 th RIOP Year	=	112019

- As originally planned, Mary's four year RIOP plan would not have resulted in any TRS penalty to the District because none of her four highest consecutive years of her last ten years of service (in this case, her last four RIOP years) resulted in increases greater than 6%.
- However, because Mary will be retiring one year earlier, her new four highest consecutive years are as follows:

2007-2008 Base Year	=	88730
2008-2009 1 st RIOP Year	=	94053
2009-2010 2 nd RIOP Year	=	99697
2010-2011 3 rd RIOP Year	=	105678

- This 2010-2011 retirement scenario would result in a TRS penalty to the District because Mary's 2007-2008 salary increase will exceed 6% of her prior year's creditable earnings.

- Therefore, Mary is required to payback all RIOP payments and to revert to the ordinary salary schedule for her final four years. In accordance with the ordinary salary schedule, Mary's creditable earnings and payback will be as follows:

<u>Ordinary Salary</u>	<u>Pay Back</u>
2007-2008 = 88730	No Pay back
2008-2009 = 92057	94053-92057 = pay back of 1996
2009-2010 = 94009	99697-94009 = pay back of 5688
2010-2011 = 96011	105678-96011 = pay back of 9667

Total Pay back = 17351*

*The District shall be required to pay any TRS penalties as result of creditable earnings over 6%.

APPENDIX D

Community Consolidated School District 15 RIOP Promissory Note

Employee Name:

Social Security Number:

Date:

I have requested to participate in the Retirement Incentive Option Plan (RIOP) as outlined in the CTC Negotiated Agreement 2006-2009.

As a condition of participation in RIOP, I understand that I must meet both of the following requirements:

1. I must be age 60 or have 35 years of TRS creditable service at the time of my retirement with TRS; and
2. None of the four (4) years used in calculating my TRS annuity will result in the District's payment of an "excess salary contribution" to TRS.

In the event that I am unable to meet the above-mentioned requirement, I understand that I must repay to the Board of Education all RIOP monies that have been paid to me in excess of my contractual salary. Such repayment shall be made by equal payroll deductions for the remainder of the school year in which I notify the Board of Education of my inability to fulfill the terms of the agreement. In the event that there are no remaining payroll checks due to me, any amount due to the Board of Education will be repaid over a time period agreed upon between the Board of Education and the CTC.

By signing this agreement and returning this form to the Personnel Department, I agree to the terms stated above. Failure to return this agreement will negate my request for participation in RIOP.

I freely consent to the terms of this Agreement.

_____ name

_____ date