

# REFERENCE COPY

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## EXPLANATION: PROFESSIONAL STAFF FRINGE BENEFITS

1. MSBA has modified this policy primarily to reflect changes in the federal law. The Patient Protection and Affordable Care Act requires "large" employers to offer eligible full-time employees health insurance or potentially pay a penalty to the Internal Revenue Service (IRS) for not doing so. The responsibility for providing health insurance begins when the district's plan year begins in 2014. An eligible full-time employee is one who works an average of 30 hours or more per week.

The law is too detailed to replicate in this explanation. If your district does not know whether it is a "large" employer under the new law or is uncertain whether an employee or group of employees will qualify as "full-time employees," please see MSBA's Guidance, "School District Obligations under the New Federal Health Care Law: Is Your District Going to Play or Pay the Penalty?" at:

[http://www.msbanet.org/files/law\\_policy\\_labor/healthcare\\_reform/New%20Federal%20Health%20Care%20Law.pdf](http://www.msbanet.org/files/law_policy_labor/healthcare_reform/New%20Federal%20Health%20Care%20Law.pdf)

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**MSBA strongly encourages your district to research these issues immediately.**

This policy was written under the assumption that most school districts will be considered "large" employers under the law and that all districts will provide health insurance or health benefits to full-time professional staff members. If your district is not a "large" employer or has made the decision not to provide health insurance to all professional staff members who work 30 hours or more per week and instead risk a penalty, please revise this policy accordingly or contact MSBA's legal department for assistance.

2. MSBA also revised this policy to include two sections: one for benefits fully or partially paid by the district and one for benefits provided at employee expense. Please read these sections carefully to ensure they accurately reflect the district's practice. Districts should remove any benefits that are not applicable from these sections and include any additional benefits the district provides. Please keep in mind that the policy applies to all full-time professional staff members. The district should internally clarify which employees are classified as "professional" before committing to providing benefits to those employees in this policy.

MSBA does NOT recommend that the district add the details of each benefit to this policy. Insurance benefits are bid out frequently and change from year to year. The

**Board should not have to amend this policy every time the district changes a carrier or readjusts its benefits plan.**

- 3. MSBA has modified the section on the Consolidated Omnibus Budget Reconciliation Act (COBRA) to include more details. Technically, COBRA modified the existing Public Health Service Act, so the legal reference has been changed for accuracy. However, MSBA has retained the term "COBRA" because it is a commonly used term for this federal legal requirement.**

**The policy language is only a broad statement about the district's legal obligations. If the district would like more information about its responsibilities, see the Department of Labor Guidance at:**

**<http://www.dol.gov/ebsa/pdf/cobraemployer.pdf>**

**The federal law only applies to employers with 20 or more employees the previous year, but state statute § 376.428, RSMo., expands the obligation to all employers.**

- 4. Does your district offer any employees a 403(b) benefit option? If so, the district must have a written plan on the administration of this program as required by federal law. MSBA does not recommend that districts insert such a plan into the policy manual because most of the information in the plan is administrative. Further, many districts contract with a vendor for the administration of the 403(b) program, and the district has little choice in the contents of the plan—but still needs to adopt one. Instead, MSBA recommends that the district *mention* the plan in the policy. Below are two samples of policy language the district should consider inserting into its policy depending on whether the district administers its own program or contracts out for administration services:**

**403(b) Program (District Is Administering)**

**The district offers participation in a 403(b) annuity program in accordance with law. A copy of the district's written plan is available in the central office. Selection and removal of vendors and funding vehicles shall be in accordance with this plan, which is incorporated by reference into this policy.**

**403(b) Program (Administered by Third Party)**

**The district offers participation in a 403(b) annuity program in accordance with law. The district has selected and contracted with a third-party company to administer the program. A copy of the district's written plan is available in the**

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**central office. Selection and removal of vendors and funding vehicles shall be in accordance with the policy recommended by the third-party administrator, which is incorporated by reference into this policy.**

*MSBA recommends that copies of this document be routed to the following areas because the content is of particular importance to them. The titles on this list may not match those used by the district. Please forward copies to the district equivalent of the title indicated.*

	Board Secretary	X	Business Office		Coaches/Sponsors
	Facility Maintenance		Food Service		Gifted
X	Human Resources	X	Principals		Library/Media Center
	Health Services		Counselor		Special Education
	Transportation		Public Info/Communications		Technology

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## PROFESSIONAL STAFF FRINGE BENEFITS

The Board recognizes that fringe benefits, such as insurance opportunities, are an integral part of the total compensation plan for full-time professional staff members. ~~The Board of Education shall provide fringe benefits to all full-time professional staff members by offering participation in a group insurance plan.~~ The superintendent or designee will research and present to the Board fringe benefit opportunities that will assist the district in attracting and retaining quality employees.

Unless otherwise indicated in this policy, a professional staff member is considered to be a full-time employee if he or she holds a position designated as full time in the relevant job description.

### Benefits Fully or Partially Paid by the District

The district will provide access to and contribute toward the cost of the following benefit options for full-time professional staff members:

1. Health insurance or a group health plan
2. Life insurance
3. Vision insurance
4. Dental insurance
5. Other benefits as approved by the Board

~~The~~In accordance with law, any contract for an insurance policy provided for the benefit of employees will be submitted to competitive bidding at least every three years.

### Health Insurance or Group Health Plan

The Board will provide eligible full-time employees access to district-sponsored health insurance or a group health plan, in accordance with federal law. For health insurance or health plan purposes, an eligible employee is defined as a staff member the district reasonably expects to work an average of 30 hours or more per week as determined by law.

Any ~~plan of group district~~ health insurance contract or plan shall include a provision allowing persons who retire, or who have retired, from the district to remain or become members of the plan if they are eligible to receive benefits under the Public School Retirement System of Missouri (PSRS) or the Public Education Employee Retirement System of Missouri (PEERS); by paying premiums at the same rate as other members of the group, pursuant to the limitations set forth in § 169.590, RSMo. In addition, the Board shall establish a premium-only cafeteria plan, as permitted under federal law, accessible by employees of the school district. ~~the retiree's spouse and children must be allowed to become members of the plan if they are receiving or are eligible to receive benefits under the PSRS or PEERS.~~ Retirees and their spouses and children will have one year from the date of

retirement to qualify and enroll in the coverage. Once that date has passed, if a retiree or his or her spouse or children discontinue district coverage, they are not eligible to re-enroll.

**Benefits Provided by the District at Employee Expense**

In accordance with law, the district is required to establish a premium-only cafeteria plan unless the district provides health insurance through a self-insured or self-funded group health plan. Even if the district provides health insurance through a self-insured or self-funded plan, the district may choose to offer employees access to a cafeteria plan or other benefits at the employee's expense.

**Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) Requirements**

At the time of commencement of coverage under the plan, an employee shall be given his or her first notification of rights under the Consolidated Omnibus Budget Reconciliation Act (COBRA). Further notification is contingent upon the occurrence of a qualifying event and, in applicable situations, notification to the district that a qualifying event has occurred, as required by law. In accordance with law, the district-sponsored health insurance or group health plan will allow for continuing coverage of employees and their spouses, former spouses or dependent children after certain qualifying events upon payment of the applicable premium. This obligation applies to both district-paid and employee-paid options. Qualifying events include, but are not limited to, employee resignation from the district, most situations involving employee termination and situations where an employee's hours have been reduced so that he or she no longer qualifies for district-paid health insurance or the group health plan. The district will provide notices as required by law.

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*Note: The reader is encouraged to check the index located at the beginning of this section for other pertinent policies and to review administrative procedures and/or forms for related information.*

Adopted: FIELD(AdoptDate)

Revised:

Cross Refs: HA, Negotiations with Employee Representatives

Legal Refs: §§ 67.150, .210, 169.590, 376.428, .453, RSMo.  
Internal Revenue Code, 26 U.S.C. § 125  
Consolidated Omnibus Budget Reconciliation Act, 29 U.S.C. §§ 1161-1168  
Patient Protection and Affordable Care Act, 26 U.S.C. § 4980H

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Public Health Service Act, 42 U.S.C. §§ 300bb-1 - 300bb-8

FIELD(DistrictLocationLine)