

**MEMORANDUM OF UNDERSTANDING
RE: Retirement Incentive**

This Memorandum of Understanding is effective on and entered into between the **Governing Board of the Special Education of Lake County ("SEDOL")** and the **SEDOL Teachers' Union, a Council of the Lake County Federation of Teachers, Local No. 504, IFT-AFT/AFL-CIO ("STU")** (collectively, ("Parties") this 4th day of March, 2020 ("Effective Date").

WHEREAS, SEDOL and STU are Parties to a 2018-2021 Collective Bargaining Agreement ("Agreement").

WHEREAS, Article VIII, Section U of the Agreement provides for retirement incentives for teachers who satisfy certain eligibility and participation requirements; and

WHEREAS, under the terms of Section U language, the parties agreed that, if any legislation was enacted that allowed SEDOL to provide a greater than 3% salary increase retirement incentive without incurring a penalty or actuarial contribution to TRS, the parties would reopen the retirement incentive provision following a demand by either party; and

WHEREAS, on June 5, 2019, Governor Pritzker signed Public Act 101-0010, which repealed earlier legislation establishing a 3% "cap" on final average salary and restored the previous 6% cap; and

WHEREAS, on July 31, 2019, the SEDOL Teacher's Union submitted a written demand to bargain; and

WHEREAS, the Parties reached an agreement to restructure the retirement incentives and further agreed that, the restructured retirement incentives shall only be available to those eligible teachers who submit their irrevocable notice of intent to resign for the purpose of retirement on or after the effective date of this Memorandum of Understanding and who do so in conformance with the submission dates set forth in Section U of the Agreement. Said teachers shall not be eligible for the retirement incentives initially included in the 2018-2021 Agreement; and

WHEREAS, the Parties further agreed that the retirement incentives initially included in the 2018-2021 Agreement shall only be available to those eligible teachers who submitted their irrevocable notice of intent to resign for the purpose of retirement prior to the effective date of this Memorandum of Understanding and who did so in conformance with the submission dates set forth in Section U of the Agreement.

NOW, THEREFORE, except as to those teachers described in the immediately preceding paragraph, the following restructured Retirement Incentive benefits shall replace language initially included in the 2018-2021 Agreement.

Section U: Retirement Incentive

To be eligible to participate in the Retirement Incentive Plan, a teacher shall have completed 5 years of teaching service to SEDOL upon the date of his/her resignation for the purpose of retirement. Additionally, the teacher must not have received a greater than 6% increase in creditable earnings for any of the years that will be used by TRS to calculate his or her final average salary.

If these requirements are met, a teacher who submits an irrevocable notice of intent to resign for the purpose of retirement to the Human Resources office in accordance with the guidelines below shall receive the following retirement incentive:

Between April 16, 2019, and September 1, 2020, a teacher may elect to retire at the end of the 2020-

2021, the 2021-2022, the 2022-2023 or the 2023-2024 school term and receive up to four years of retirement incentive; or,

Between September 2, 2020, and September 1, 2021, a teacher may elect to retire at the end of the 2021-2022, the 2022-2023, the 2023-2024 or the 2024-2025 school term and receive up to four years of retirement incentive.

The retirement incentive shall be calculated by increasing the base salary paid to the retiring staff member during the prior year by five and one quarter percent (5.25%) for one, two, three or four years, depending on the length of retirement incentive selected. The teacher must actually work or use paid leave time to receive his/her salary and retirement incentive, any change in employment circumstances, such as transferring to a part-time from a full-time position, will result in an adjustment to the salary and retirement incentive.

Base salary is defined as salary plus longevity (if applicable) as shown on the compensation schedule.

In no event may such Teacher's total creditable earnings, as defined by ITRS, exceed six percent (6%) of the prior year's total creditable earnings such that the Board will incur funding liabilities on behalf of the teacher. A teacher shall not receive horizontal and vertical lane advancement in any year during which a retirement incentive is received. Should extra pay or duties result in an amount in excess of six percent (6%) in any retirement incentive year, adjustments will be made to such Teacher's salary so as not to exceed the six percent (6%) ITRS limit.

Nothing herein shall limit the right of the Board to offer additional retirement incentives to individual teachers. The Union shall consider any such additional incentives offered by the Board as non-precedential with respect to individual teacher and future contractual agreements between the Board and the Union.

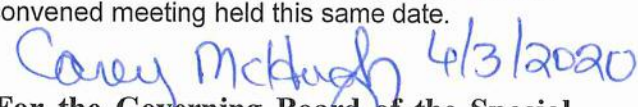
Legislative Changes: In the event the Illinois General Assembly enacts legislation imposing a penalty on SEDOL for providing this retirement incentive, the benefit shall cease to exist in its present form, for licensed staff members who submitted their notice of intent to retire under the terms of this 2018-2021 Agreement, effective upon the imposition of such penalty. However, prior to the cessation of the retirement incentive, the parties agree to reopen this Article VIII.U and bargain over any modifications that would enable SEDOL to provide an alternative retirement benefit to licensed staff members. It is expressly understood that any such alternative retirement benefit shall not require SEDOL to incur any greater costs than are already contemplated under this Article.

IN WITNESS WHEREOF, the Parties execute this Memorandum of Understanding on March 4, 2020, upon formal approval of the Governing Board at a duly convened meeting held this same date.

For the SEDOL Teachers' Union


By its President

3/30/2020
Date


For the Governing Board of the Special Education District of Lake County


By its President

3/19/2020
Date

ATTEST:


By its Secretary

3/30/2020
Date

ATTEST:


By its Secretary

3/19/2020
Date

**MEMORANDUM OF UNDERSTANDING
RE: RETIREMENT INCENTIVE LANGUAGE
TEACHERS WHO SUBMITTED THEIR IRREVOCABLE NOTICE OF INTENT TO RESIGN FOR THE
PURPOSE OF RETIREMENT BETWEEN AUGUST 16, 2018 AND MARCH 3, 2020.**

The Governing Board of the Special Education of Lake County ("SEDOL") and the SEDOL Teachers' Union, a Council of the Lake County Federation of Teachers, Local No. 504, IFT-AFT/AFL-CIO ("STU") are parties to a 2018-2021 Collective Bargaining Agreement ("Agreement"). Article VIII, Section U of the Agreement provides for retirement incentives for teachers who satisfy certain eligibility and participation requirements. Under the terms of current Section U language, a teacher who is participating in the retirement incentives is not allowed to receive extra pay for performing additional duties if the extra pay would result in the teacher receiving a greater than 3% increase over his/her prior year's creditable earnings (i.e., a "3% cap"). This language was included in the Agreement to protect SEDOL from owing an excess salary contribution to the Teachers' Retirement System.

After the parties agreed to the retirement incentive language, the Illinois General Assembly repealed the pension legislation that established the 3% cap, and the previous cap of 6% was restored. The change to a 6% cap made it possible for a teacher to perform additional services for, and receive additional compensation from SEDOL and no excess salary contribution would be owed to TRS so long as the additional compensation did not result in a greater than 6% increase over the teacher's prior year's creditable earnings.

In view of the repeal of the 3% cap, the Parties wish to modify the language of Article VIII, Section U to allow teachers who submitted their notice of intent to retire on or before March 3, 2020, to earn up to 6% more than the prior year's credible earnings. Accordingly, the language shall be modified as reflected in the attached copy, which is labeled Exhibit A for identification.

For the SEDOL Teachers' Union

Carey McHugh 4/3/2020
By its President Date

**For the Governing Board of the Special
Education District of Lake County**

Christina Sefcuk 3/19/2020
By its President Date

ATTEST:

R. J. [Signature] 6/8/2020
By its Secretary Date

ATTEST:

Valerie [Signature] 3/19/2020
By its Secretary Date