CONTRACT

between the

BOARD OF TRUSTEES

OF THE

SHOALS COMMUNITY SCHOOL CORPORATION

and the

SHOALS TEACHERS ASSOCIATION

2026-2027

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CONTRACT

BETWEEN THE

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OF THE

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AND THE

SHOALS TEACHERS ASSOCIATION

THIS CONTRACT ENTERED INTO BY AND BETWEEN THE BOARD OF TRUSTEES OF THE SHOALS COMMUNITY SCHOOL CORPORATION, HEREINAFTER CALLED THE "BOARD" AND/OR THE "CORPORATION" AND THE SHOALS TEACHERS' ASSOCIATION, HEREINAFTER CALLED THE "ASSOCIATION".

ARTICLE I

RECOGNITION

A. The Board hereby recognizes the Shoals Teachers' Association as the exclusive representative of all Teachers in the School Corporation.

B. DEFINITIONS.

1. The term "Teacher" when used in the Contract shall refer to all certificated personnel employed by the Board except the Superintendent, Assistant Superintendent, Principals, Assistant Principals, and Athletic Director.

2. The terms "Board" and "Association" shall include authorized officers, representatives, and agents.

3. The term "School Corporation", when used in this Contract, shall refer to the Shoals Community School Corporation of the County of Martin of the State of Indiana.

4. When references are made to male Teachers in this Contract, it also includes female Teachers.

ARTICLE II

SALARY AND WAGES

A. COMPENSATION MODEL

The Board and the Association of the Shoals Community School Corporation agree to negotiate salary contributions as required by IC-20-29-2. Both parties will also negotiate contributions made to base salaries and paid stipend amounts.

The parties have bargained that no base salary increases will be granted during the 2026-2027 school year due to the School Corporation's financial condition.

One-Time Stipend for 2026-2027 School Year

Each member of the bargaining unit who was hired prior to August 4, 2026 will receive a one-time stipend of $500.00. The stipend will be paid in a single payment and will not become part of the teacher's base salary.

Literacy Endorsement Base Salary Differentiation for Returning Teachers

Each returning teacher who newly possesses an Early Literacy Endorsement on their license shall receive a one-time $150 added to their base salary. To receive the $150 literacy endorsement base

salary differential for the 2026-2027 school year, teachers must provide proof of attainment of the endorsement to the Superintendent's Office.

Dual Credit Teachers:

Teachers who teach dual credit classes will receive a stipend of $1,200. This stipend is per teacher, not per class, and will be paid one time per year.

COSMOS Program Teachers:

Teachers working with the COSMOS program and who take students from Mitchell &/or Orleans will receive fifty dollars ($50) per student per semester for non-dual credit classes and one hundred dollars ($100) per student per semester for dual credit classes. This stipend only applies to students from Mitchell &/or Orleans, not Shoals students.

B. NEW HIRE SALARY PLACMENT

New teachers shall be employed by the Board of School Trustees and their base salary shall be determined as set forth in Appendix B which is attached to and incorporated in this agreement. The Board will also pay the teacher's portion of the appropriate ISTRF contribution, up to a maximum of 3%.

Any new hire who possesses an Early Literacy Endorsement on their license shall receive a one-time $150 differentiation added to their base salary. To receive the $150 literacy endorsement base salary differential, the new hire must submit evidence of the literacy endorsement on their license upon being hired by the School Corporation.

See Appendix B for more information on new hire salary placement.

C. SALARY RANGE

The salary range during the 2026-2027 school year is $43,000 to $72,600 (or $72,750, as applicable, with the literacy endorsement).

D. PAYMENT UPON EMPLOYMENT TERMINATION

If a Teacher's employment with the School Corporation is terminated effective the last duty day of the school year, said Teacher shall receive, upon written request to the Office of the Superintendent, all pay to which that Teacher is entitled by a date not later than the second payday in June, taxable at the most favorable rate chosen by the teacher.

E. SECTION 125 OF THE REVENUE ACT

Phase I and II are in effect in the School Corporation. All administrative costs will be assumed by the individuals taking the plan. The administrator of the plan will be selected by mutual written

consent of the Board and the Association. Any School Corporation savings belong exclusively to the School Corporation and individual savings belong exclusively to the individual employee.

F. TEACHER WORK DAYS

The teachers have 184 work days in a school year unless on an extended contract. This provision is included for informational purposes only and was not bargained.

ARTICLE III

RETIREMENT

A. EARLY RETIREMENT INCENTIVE

The Shoals Community Board of School Trustees has the authority to offer a one-time early retirement incentive for the 2026-2027 school year at the discretion of the Board.

B. ENTITLEMENT TO RETIREMENT BENEFITS AND VESTING REQUIREMENTS.

Upon retirement from the 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. The retiring Teacher must be at least fifty-five (55) years of age as of the last day of the last school year the Teacher works; and

2. The retiring Teacher must have at least a total of ten (10) years of service in the Shoals Community School Corporation; and

3. The retiring Teacher shall notify the Office of Superintendent in writing of his or her intent to retire no later than April 1st of the Teacher's last year of employment. If a Teacher elects to retire because of health reasons, the April 1st date may be waived at the discretion of the Board.

4. A Teacher shall be fully vested in the retirement benefits described in this Article upon death.

C. RETIREMENT SAVINGS 401(a) ANNUITY PLAN.

1. The School Corporation shall establish a qualified retirement plan as described in section 401(a) of the Code.

   For employees hired after April 30, 2004, the Board agrees to contribute into each individual's separate 401(a) account an amount equal to Two Percent (2%) of the individual Teacher's Contract salary.

2. The Board shall deposit employer contributions for each employee into the section 401(a) plan maintained by the Board. The Board shall make equal monthly contributions throughout the school year, and will complete its contributions on or before August 1st of each succeeding year.

3. There will be no commingling of accounts and each employee may determine how his or her account shall be invested among the investment options made available by the investment vendor for the 401(a) plan. The single investment vendor for the 401(a) plan shall be a vendor that is mutually agreed upon by the Board and the Association.

4. Each bargaining unit member shall be One Hundred Percent (100%) vested in these individual 401(a) accounts upon the completion of his/her fifth year of continuous employment with the Corporation. If the employee retires or otherwise terminates employment before satisfaction of the vesting requirements, the terminated employee's 401(a) plan account shall be forfeited and shall be used to reduce the School Corporation's future funding obligation.

D. RETIREMENT SAVINGS VEBA PLAN.

1. The School Corporation shall contribute to a Voluntary Employees' Beneficiary Association ("VEBA") as described in section 501(c)(9) of the Code. The Board agrees to contribute an amount equal to One-Half of One Percent (0.5%) of an employee's Contract salary for all employees.

2. The Board shall make equal monthly contributions throughout the school year, and will complete its contributions on or before August 1st of each succeeding year.

3. There will be no commingling of accounts and each employee may determine how his or her account shall be invested among the investment options made available by the investment vendor for the VEBA plan. The single investment vendor for the VEBA plan shall be a vendor that is mutually agreed upon by the Board and the Association.

4. Each bargaining unit member shall be One Hundred Percent (100%) vested in these individual VEBA accounts upon the completion of his/her fifth year of continuous employment with the Corporation. If the employee retires or otherwise terminates employment before satisfaction of the vesting requirements, the terminated employee's VEBA account shall be forfeited and shall be used to reduce the School Corporation's future funding obligation.

E. GROUP HEALTH INSURANCE.

Immediately following severance, the Teacher and his/her spouse, if any, shall have the option of remaining in the Corporation's current group health insurance plan if all of the following conditions are met as of the date of severance and thereafter:

1. The Teacher has provided a written request to the School Corporation for continuing insurance coverage for the Teacher and spouse, if any.

2. While the retired Teacher and spouse, if any, remain enrolled in the health insurance plan, the retired Teacher and spouse shall pay the entire insurance premium applicable to the insurance coverage, with the premium payment to be made monthly for each succeeding year. The teacher/spouse will be unenrolled from the insurance coverage if the payment is more than 60 days late.

3. A spouse covered by health, dental, and vision insurance who survives the retired spouse may continue in the health, dental, and vision insurance, at his or her own expense, until the spouse is eligible for Medicare. The teacher/spouse will be unenrolled from the dental and vision insurance coverage if the payment is more than 60 days late.

4. When a retired Teacher first becomes eligible for Medicare, the Teacher's eligibility to continue to participate in the Corporation's group health insurance plan shall terminate, if not earlier terminated according to applicable law. (The same termination of eligibility shall also apply when a retired Teacher's spouse first becomes eligible for Medicare.) It is acknowledged that the parties intend these provisions to comply with applicable federal and state laws that establish an eligible Teacher's right to continue health insurance for the Teacher and spouse, including if otherwise applicable, Indiana Code 5-10-8-2.6. Therefore, this right to extended coverage shall not override any rights to continuing health care coverage as required by COBRA.

F. 403(b) ANNUITY PLAN.

1. Each Teacher may elect to make a salary reduction election and make tax deferred contributions, to a plan described in section 403(b) of the Internal Revenue Code (the "Code") to the maximum limits allowed by the Code. The Board shall forward salary reduction money to the appropriate vendor each month.

   The School Corporation shall maintain a list of approved investment vendors for the salary reduction contributions made to 403(b) plan.

   Any changes made regarding the administration of current and future 403(b) plans shall be discussed by a committee comprised of the Association and the Board. Said committee shall be established and maintained.

ARTICLE IV

SALARY AND WAGE RELATED FRINGE BENEFITS

A. SICK LEAVE.

1. A Teacher shall be entitled to an Annual Allotment of fourteen (14) paid sick leave days each Contract year ("Annual Allotment"). Unused Annual Allotment sick leave days shall

be permitted to accumulate up to a total of one hundred eighty-five (185) days. This accumulation shall be referred to as "Unused Accumulated Leave". A Teacher may use Annual Allotment days and unused accumulated leave days for personal illness, which may include necessary medical and dental appointments. Sick leave used will first be charged against a Teacher's Annual Allotment. A Teacher who is absent for more than the fourteen (14) Annual Allotment sick leave days may be required to provide medical evidence requested by the Superintendent documenting the need for additional sick leave days. A Teacher employed for only a portion of the school year shall be entitled to a proportional number of days of sick leave, and unused days will be accumulated as specified herein.

2. If a Teacher accumulates one (1) or more sick days in another School Corporation and then becomes employed in this School Corporation, then there shall be added to his/her sick days, for his/her second year and each succeeding year of employment, up to three (3) sick days until the accumulated days to which the Teacher was entitled in his/her last employment are exhausted not to exceed one hundred eighty-five (185) days. A new teacher shall be given 15 sick days during their first year of employment if they contribute 1 day to the sick leave bank. A new teacher shall be given 14 sick days during their first year of employment if they chose not to contribute to the sick leave bank.

3. Sick leave days accumulated by a Teacher prior to an authorized leave of absence, less any sick leave taken during such leave, shall be credited to the Teacher on his/her return to employment.

4. Teachers on summer employment under regular or supplemental service Contracts shall be eligible to use one half day (1/2) sick leave; or bereavement leave according to and under the provisions of this Contract.

5. Sick leave may be taken in one-half (1/2) day units.

6. A teacher who is absent for more than three (3) consecutive sick from school or more than five (5) days from school in a thirty (30) day period shall provide a doctor's note to their building level principal to verify the necessity for taking the specified number of days.

7. A Teacher on Contract for the full school year shall receive sick leave incentive pay by August 1st after the conclusion of the school year as follows:

    a. Use of zero (0) sick leave days during the Teacher's regularly contracted days - Three Hundred Dollars ($300.00) will be paid directly to the teacher;

    b. Use of not more than one (1) to three (3) sick leave days during the Teacher's regular contracted year - Two Hundred Dollars ($200.00) to be paid directly to the teacher.

8. If the building principal suspects that a teacher is abusing the sick leave provisions in the contract, s/he may investigate to determine whether they were ill or had a legitimate health reason. For example, if the principal sees a pattern to absences such as Fridays or Mondays or before a vacation day, the principal can investigate the absences.

9. Teachers who have accumulated at least 90 days in their accumulated sick leave will have the option of selling up to 5 sick leave days back to the corporation at the end of the school year at the current rate being paid to certified substitute teachers with a teachers license. These days can only come from the current year's sick leave days and cannot come from accumulated days. After the buyback of days, any teacher who still loses sick leave days due to the maximum one hundred eighty-five (185) day cap on sick leave accumulation, shall receive Twenty-Five Dollars ($25) per lost sick leave day per year to be paid no later than August 1st after each school year in the form of a stipend. For those individuals the maximum payout would be for 14 days, 5 at sub-rate and $25 for any remaining days from the current school year.

B. PERSONAL LEAVE.

1. Teachers shall be granted four (4) days of personal leave with pay per school year. Any personal leave accumulated in 2011-12 shall be available to the teacher until used. Up to two (2) days of unused personal business leave may now accumulate so that a total of six (6) days could be used during a school year.

2. Personal leave shall not be considered as sick leave.

3. Each teacher's unused personal leave above the two (2) which accumulate shall be transferred to his or her accumulated sick leave at the end of each school year.

4. Such days may be taken in one-half (1/2) day units.

5. Teachers taking personal leave do not need to state the reason for taking personal leave, but only need to state that it is "Personal Business".

6. Teachers who use a personal day on the workday immediately before or immediately after a scheduled school vacation or other scheduled day off, including but not limited to Thanksgiving recess, shall be charged two (2) personal leave days for that absence, unless prior approval is granted by the Superintendent.

C. BEREAVEMENT LEAVE.

1. In the case of each death of a parent, spouse, child (including still birth and miscarriage), stepchild (living in the Teacher's household) or foster child (living in the Teacher's household) of a Teacher under Contract, the Teacher is entitled to be absent without loss of compensation for a period extending not more than five (5) consecutive school days beyond such death for the purpose of attending the last burial rites and attending to other personal matters of the family member.

2. In the case of each death of any relative by blood or marriage, except those listed in paragraph C.1 above, of a Teacher under Contract, the Teacher is entitled to be absent without loss of compensation for a period extending not more than four (4) consecutive

school days beyond such death for the purpose of attending the last burial rites and attending to other personal matters of the relative.

3. Up to two (2) days of bereavement leave, as spelled out above, may be taken within one year (365 days) of the death to assist in estate/financial matters.

4. Teachers on summer employment shall be eligible to use bereavement leave on the same basis as is used during the regular school year.

D. FAMILY ILLNESS LEAVE.

Up to a total of fourteen (14) days of personal sick leave may be used each school year in the event of illness involving the Teacher's spouse, parent, step-parent, children, step-children, sibling, grandchild/ren or any other relative who at the time of illness was living as a member of the Teacher's household. If it is necessary for a Teacher to use more than the fourteen (14) days of personal sick leave the Teacher may request in writing to the superintendent the need to use additional sick leave days for family illness.

E. JURY DUTY LEAVE.

When requested, a Teacher may serve on jury duty. The Board shall pay the Teacher his/her full salary provided that such Teacher return to the Board the total amount of per diem pay received (mileage not included) for serving on jury duty.

F. COURT LEAVE.

If, in any court action in which the Board is a party, a Teacher is subpoenaed to appear as a witness on behalf of the Board, such Teacher shall suffer no loss of pay for his/her absence from teaching duties during the period of time he/she appears in court in compliance to such subpoena and given a reasonable time to return to work after he/she has been released. Such Teacher shall suffer no loss of pay in the case that said Teacher receives a subpoena in a criminal case.

G. PROFESSIONAL LEAVE.

A leave of absence with pay may be granted by the Board for attendance by Teachers at workshops, conferences, educational meetings, or visits to other schools, all of which must be approved in advance by the Superintendent. Expenses of Teachers as approved by the Board/Superintendent on the appropriate professional leave form shall be reimbursed to said Teacher(s) upon receipt of an itemized listing of expenses.

The corporation will provide two (2) professional days for all special education teachers for the purpose of completing IEPs and other duties required for their position. These days must be scheduled in advance with the superintendent to assist in making sure substitutes are available.

H. TEMPORARY DISABILITY LEAVE.

The Board shall grant a temporary disability leave of absence not to exceed one (1) year, to Teachers on the following basis:

1. Application of Provision. This provision shall apply to leave in all cases where a Teacher is unable to teach because of a temporary disability caused by surgery, physical or mental illness, or injury.

2. Notification. After determination that such leave is imminent, the Teacher shall give notice to the Office of the Superintendent, in writing, of the anticipated date he/she wishes to commence said leave of absence and anticipated date of return.

3. Temporary Disability Leave. A teacher on temporary disability leave may elect to utilize his/her accumulated sick leave during his/her period of temporary physical disability provided he/she submits, at the option of the Board, a physician's statement and certification of physical disability. While on said leave, sick leave days will be paid only for the number of assigned duty days the Teacher is absent for which said Teacher is physically disabled, limited to the extent of the number of sick leave days accumulated by the Teacher at the time said leave commences.

I. PREGNANCY LEAVE.

A Teacher who is pregnant may continue in active employment as late into pregnancy as she wishes, if she can fulfill the requirements of her position. All or a part of a leave taken by a Teacher because of a temporary disability caused by pregnancy may be charged, at her discretion, to her available sick days. However, the Teacher is not entitled to take accumulated sick leave days when the Teacher's physician certifies that the Teacher is capable of performing the Teacher's regular teaching duties. The Teacher is entitled to complete the remaining leave without pay.

A teacher in their first 3 years of service with the Shoals Community Schools shall be eligible for up to 12 additional paid leave days for the birth of a child. These additional paid leave days are intended to supplement the teacher's available paid leave during the first 6 weeks following the birth of a child. The School Corporation will provide only the number of days necessary to prevent unpaid leave during the six-week period, up to a maximum of 12 days. Any unused days under this provision shall not accumulate or carry forward and shall have no cash value.
Teachers who are on maternity leave at the time school starts will be paid on the same pay schedule as teachers actively teaching.

For informational purposes, the 12-month FMLA leave year is a "rolling basis."

J. LOBBYING LEAVE.

The Association shall be allowed lobbying leave days per school year as follows with pay for the purpose of going to Indianapolis to lobby in the State Legislature: Six (6) Days.

It is understood and agreed to that no more than three (3) Teachers in the Association may be gone on lobbying leave on any one (1) school day. It is further understood and agreed to that anyone using a day will give twenty-four (24) hours' notice of intent to take said leave if at all possible.

K. ADOPTIVE LEAVE

A teacher who has submitted an application for the purpose of adopting a child will be granted, upon written request, adoption leave, without pay, for a period not to exceed one (1) year from the time the adoptive child becomes available. The teacher may use accumulated sick leave days up to thirty (30) school days, which must be taken within a period of five (5) school days before receiving the child to thirty (30) school days after 5 receiving the child. In a situation where both parents are teachers in the School Corporation, they may use only thirty (30) sick days collectively for adoption leave.
A teacher in their first 3 years of service with the Shoals Community Schools shall be eligible for up to 12 additional paid leave days for the adoption of a child. These additional paid leave days are intended to supplement the teacher's available paid leave following the adoption of a child. The School Corporation will provide only the number of days necessary to prevent unpaid leave during the period specified above (i.e., the period of five (5) school days before receiving the child to thirty (30) school days after 5 receiving the child), up to a maximum of 12 days. Any unused days under this provision shall not accumulate or carry forward and shall have no cash value.

L. PATERNITY LEAVE

Male teachers will be granted five (5) paid consecutive days which must be used within six (6) weeks of the birth of or adoption of their child.

M. PERSONAL INJURY LEAVE.

A Teacher may be absent up to fifteen (15) school days without loss of pay or benefits due to injury incurred in the course of a Teacher's employment during regular school hours or while they are on a specific ECA function or an assigned school activity. Such days shall not be charged against the Teacher's sick leave days or any other leave days said Teacher is entitled to use. It is understood that the Teacher shall, upon request, provide a written statement from the Teacher's physician attesting to the fact that said Teacher is not able to teach due to the injury that was incurred.

N. SICK LEAVE BANK.

A voluntary sick leave bank shall be established whereby a teacher who is absent from assigned duty due to illness and who has utilized all of his/her sick leave, personal leave, and all other paid leave benefits of whatever nature may petition a committee, as established herein, for sick leave days from the bank under the following conditions:

1. The number of accumulated days in the bank shall not exceed one hundred fifty (150) days, provided, however, said limitation shall be increased: (a) if necessary to allow a teacher new to the corporation to join the bank and contribute one (1) sick leave day, and (b) if necessary to

allow all teachers to contribute one (1) sick leave day each if the number of days in the bank at the beginning of a school year is fewer than one hundred fifty (150) days.

2. The teacher may be granted days from the bank under the following conditions:

   a. The teacher must have chosen to participate by contributing one (1) sick leave day to the bank, and such day contributed shall be non-returnable to the teacher and contributed prior to the request for days from the sick bank;

   b. The teacher must have utilized and exhausted all paid leave benefits of whatever nature, including his/her own accumulated sick leave and personal leave;

   c. If requested by the committee the teacher must provide written certification from his/her physician substantiating his/her illness and certifying that his absence will continue following the utilization and exhaustion of all said paid leave benefits as provided by the corporation; and

   d. The teacher must apply in writing to the superintendent no later than ten (10) school days after exhaustion of said paid leave benefits.

3. A three (3) member sick leave bank committee shall be established to receive written requests and allot days from the bank according to the provisions herein and guidelines established by the committee. The committee shall be composed of two (2) persons appointed by the Association and one (1) person appointed by the superintendent. Days allotted by the committee to an individual teacher shall be available for use beginning with the 3rd day of absence after exhaustion of the teacher's said paid leave benefits, and such allotment by the committee shall not exceed seventy-five (75) days for any individual.

4. Any days granted by the committee shall terminate effective the earliest date as hereinafter provided:

   a. The day after the last day of the term of employment for the school year; or

   b. The day after the last day of allotted number of days granted by the committee; or

   c. The first day of return to employment subsequent to the granting of days by the committee.

5. The president of the Association shall annually receive, upon request, on or before October 1, a written statement from the administration indicating the number of days in the sick leave bank as of that time.

6. It is hereby understood that any administrator shall be allowed to become a member of the sick leave bank and thus be entitled to draw from the bank in the same manner as any teacher in the school corporation.

7. Contributions of days to the sick leave bank established by this section shall not disqualify a teacher from receiving leave incentive pay.

8. Retiring teachers may donate up to 12 of their accumulated sick leave days to the sick leave bank at the end of the school year.

9. Teachers shall pay back any used days to the sick leave bank at a rate of 1 day per year starting with the second year after using the sick leave bank.

O. TERM LIFE INSURANCE.

The Board shall provide for each Teacher a group term life insurance policy for a twelve (12) month period in the amount of One Hundred Thousand Dollars ($100,000.00)+ AD&D.

In addition, if the life insurance carrier has a group ordinary plan that allows the Teachers to convert all or a part of the term insurance to permanent insurance, Teachers shall be allowed to convert all or a part of said term insurance to permanent insurance. Teachers so choosing to convert to permanent insurance shall pay all the additional premiums over and above those covered in paragraph 1. above.

P. HOSPITALIZATION INSURANCE.

1. As of January 1, 2013, at no time will the Board pay in excess of 112% of the cost of what a similar plan with the state health insurance used by the State of Indiana for its government employees. The health insurance plan benefits and carrier will not change without mutually agreement of the Board and Association. As of January 1, 2014, the board will pay a determined amount toward each specific type of insurance plan. At no time will the board pay in excess of 112% of the cost of what a similar plan with the state health insurance used by the State of Indiana for its government employees. The dental and vision plan benefits and carrier will not change without mutual agreement of the Board and Association. The Board will pay 100% of a single, employee/spouse, employee/dependent or family vision and a single, employee/spouse, employee/dependent, or family dental plan for each teacher.

Corporation Contribution toward Hospitalization Insurance

Effective January 1, 2027

Employee Only (Single)	$806.70/Month $9,680.40/Year
Employee/Spouse	$1,439.81/Month $17,277.72/Year
Employee/Dependent	$1,561.62/Month $18,739.44/Year
Family	$1,627.88/Month $19,534.56/Year

2. For Teachers participating in the HSA plan option, for which they qualify, the Board will deposit into the individual HSA account, of said Teachers, the difference between the Board's contribution to the low deductible and high deductible plan, not to exceed the IRS approved amount, less $1, if applicable. The deposits into the HSA accounts will be made monthly. All Teachers shall have the right to fund his/her individual HSA accounts up to the IRS approved amounts on a pre-tax basis, through payroll deduction. Any fees associated with the administration of the HSA accounts shall be the responsibility of the participant. The Shoals Community School Corporation shall not incur any additional costs due to the addition of the Health Savings Accounts (HSA's), over the costs agreed to under the low-deductible plans of health, dental, and vision.

   For 2026-2027 the board will contribute an additional $1,500 to all HSA eligible teacher's accounts for each year of the contract, to be distributed in January.

3. Insurance coverage for newly hired Teachers shall begin on their start date. Newly hired teachers starting with the 2016-2017 school year will only be given the option of participating in the HDHP/HSA insurance plan.

4. The corporation will pay the equivalent of its contribution for two single plans for married couples with dependent(s) when they take a family plan. Married couple employees shall automatically each take a single plan when the family plan is not needed.

Q. GROUP INSURANCE COVERAGE WHILE ON LEAVE.

1. Teachers on paid leave shall continue to have Board contributions on group insurance program(s) made according to the level which existed at the time of starting on leave.

2. Teachers on an unpaid leave of absence shall have the right to continue in any or all of the School Corporation's group insurance program(s) provided the Teacher remits the full monthly premium to the School Corporation's business office prior to the due date each month.

R. INSURANCE COVERAGE UPON EMPLOYMENT TERMINATION.

If a Teacher's employment with the School Corporation is terminated effective the last duty day of the school year, and said Teacher is thus not returning to the School Corporation for the next school year, the Teacher may continue in the group insurance coverage plan(s) that he/she is currently enrolled in by arranging for the necessary payroll deduction of the Teacher's share to be made in his/her remaining checks. At the Teacher's option such coverage will terminate no earlier than October 1st of the current year, if not restricted by carrier.

S. SUMMER RATE OF PAY. All Teachers teaching summer remediation or summer PACE programs shall receive their regular hourly rate of pay.

T. PAY AND BENEFITS FOR PART-TIME TEACHERS.

All part-time Teachers will receive their salary on a pro rata basis depending upon the number of periods taught and/or the amount of time worked during the school day. Part-time Teachers will receive pro-rata insurance benefits.

U. PAY AND BENEFITS FOR TEMPORARY CONTRACT TEACHERS.

Temporary Contract Teachers, employed for the full school year, will receive all the salary and benefits as spelled out in the Contract. Temporary Contract Teachers who are employed for less than a full school year will receive all benefits as spelled out in the Contract, on a pro rata basis, (leave days rounded to the nearest one-half (½) day), with the exception of insurance benefits, which will not be provided to Temporary Contract Teachers teaching less than a full school year.

V. ANCILLARY PAY

Class Coverage. A secondary teacher who is required to forego their preparation period because the teacher is assigned to cover a period for another teacher will be paid fifteen dollars ($15) for the period. If an elementary teacher whose regular daily assignment is teaching a class of students for the full day, and if the teacher is assigned to cover an additional class of students for another teacher, then s/he will be paid ninety dollars ($90) for covering a full day or forty-five dollars ($45) for covering a half day. Timesheets must be turned in to the Superintendent's Office at the end of each month and the compensation will be paid twice a year, at the end of each semester.

W. LONG-TERM DISABILITY INSURANCE.

It is understood that the Long-Term Disability Insurance which is currently in effect shall be fully paid for by the Board. The Association agrees to indemnify and hold harmless the School Corporation against any LTD benefit payments that stop, so long as the premiums are paid in good faith and in a timely manner on the part of the Board. Per Article IV, Salary and Wage Related Fringe Benefits,., it is hereby agreed to that the current carrier for dental, vision, life and long-term disability insurance may only be changed by the written mutual consent of the Board and the Association. It is understood that the Board has the right to obtain insurance bids from other insurance companies but no change in carrier is allowed without the mutual written agreement of the Board and the Association. It is understood and agreed to that the current health insurance specifications cannot be reduced in any way without the written mutual consent of the Board and the Association. If the Board is looking at changing health insurance carriers, the Association will be involved in the committee work and meeting with potential carriers.

X. EXPANDED CRIMINAL HISTORY BACKGROUND CHECKS

The School Corporation shall pay the cost of any and all expanded criminal history checks and expanded child protection index checks that are required by the School Corporation or per IC 20-26-5-10. The employee will pay for their initial expanded criminal history check when hired by the corporation.

ARTICLE V

GRIEVANCE PROCEDURE

A. DEFINITIONS.

1. A "grievance" is a claim by one (1) or more Teachers of a violation, misapplication, or a misinterpretation of this Contract or rules, regulations, and/or policies of the Board.

B. The purpose of this grievance procedure is to settle equitably, at the lowest possible administrative level, issues which may arise from time to time with respect to specific violation, misapplication, or misinterpretation, of the provisions of this Contract, or rules, regulations, and/or policies of the Board. Both parties agree that these proceedings shall be kept as confidential as may be appropriate at each level of the procedure.

C. PROCEDURES.

In the event that a Teacher believes there is a basis for a grievance, he/she may first discuss the alleged grievance with his/her Building Principal or immediate supervisor, either personally or accompanied by his/her Association Representative. If as a result of the informal discussion with the Building Principal or immediate supervisor, a grievance still exists, he/she may invoke the formal grievance procedure through the Association.

The formal grievance procedure shall be:

1. Grievance shall be filed on the form set forth in Appendix D, signed by the grievant and the representative of the Association, which form shall be available from the Association Representative in each building. The grievance must be filed within fifteen (15) school days of the violation, misinterpretation, or misapplication, or within fifteen (15) school days of the discovery thereof. A copy of the grievance shall be delivered to the Principal. If the grievance involves more than one school building, it may be filed with the Superintendent with copies to all Principals involved. [In the event the grievance goes directly to the Superintendent, steps two (2) and three (3) may be omitted.]

2. Within five (5) school days of receipt of the grievance, the Principal(s) shall meet with the representative of the Association in an effort to resolve the grievance. The Principal shall indicate his/her disposition of the grievance in writing within five (5) school days of such meeting and shall furnish a copy thereof to the Association.
3. If the Association is not satisfied with the disposition of the grievance, or if no disposition has been made within five (5) school days of such meeting or ten (10) school days from the date of filing, whichever shall be sooner, the grievance shall be transmitted to the Superintendent within five (5) school days.

4. Within five (5) school days, the Superintendent shall meet with the representative of the Association on the grievance and shall indicate his/her disposition of the grievance in

writing within seven (7) school days of such meeting and shall furnish a copy thereof to the Association.

5. If the Association is not satisfied with the disposition of the grievance by the Superintendent, or if no disposition has been made within seven (7) school days of such meeting or twelve (12) school days from the date of filing with the Superintendent, whichever shall be sooner, the grievance shall be transmitted to the Board by filing a written copy thereof with the President of the Board within five (5) school days. The Board, no later than its next regular meeting or within three (3) calendar weeks, shall meet with the Association on the grievance.

6. Disposition of the grievance in writing by the Board shall be made no later than seven (7) school days thereafter. A copy of such disposition shall be furnished to the Association.

7. The time limits provided in this Article shall be strictly observed but may be extended by a written contract between the parties. In the event a grievance is filed after May 15th of any year, the Board shall cooperate in processing such grievance as quickly as possible.

8. Notwithstanding the expiration of this Contract, any claim or grievance arising thereunder may be processed through the grievance procedure through resolution.

9. All documents, communications, and records dealing with the processing of a grievance shall be filed separately from the personnel files of the participants.

10. A Teacher engaged during the school day in the presentation of a grievance, or who is a witness for same, shall be released from regular duties without loss of pay.

ARTICLE VI

TERM AND GENERAL PROVISIONS

A. TERM.

This Contract shall be effective as of July 1, 2026, and shall continue in effect through June 30, 2027.

B. CONTRACT ATTEST.

This Contract entered into at Shoals, Indiana by and between the Board of Trustees of the Shoals Community School Corporation, County of Martin, State of Indiana, party of the first part, heretofore referred to as the "Board", and the Shoals Teachers' Association, party of the second part, heretofore referred to as the "Association".

This agreement supersedes and cancels all previous agreements, verbal or written or based on alleged past practices, concerning salary, hours, and salary related fringe benefits, between the Board and the Association and constitutes the entire agreement between the parties.

THEREFORE, this agreement is in effect for the 2026-2027 school year. The undersigned also attest to the following:

A public hearing (Pre-formal Bargaining Hearing) was held in compliance with Indiana Statute on September 22, 2026. Electronic participation was not available.

A public meeting in compliance with Indiana Statute was held on October 29, 2026 to discuss the tentative agreement and electronic participation was not available.

A public meeting in compliance with Indiana Statute was held on November 12, 2026 for ratification of the tentative agreement. Electronic participation was not available.

Ratified by the STA on October 8, 2026.

This Contract is so attested to by the Parties whose signatures appear below:

BOARD OF TRUSTEES OF
THE SHOALS COMMUNITY
SCHOOL CORPORATION

President

Secretary

SHOALS TEACHERS'
ASSOCIATION

Co-President

Co-President

Secretary

APPENDIX A
2026-2027 CONTRACT SALARY SCHEDULE
FOR NEW HIRE PLACEMENT
SHOALS COMMUNITY SCHOOL CORPORATION

This salary schedule will be used for the placement of new hires during the 2026-2027 school year.

Row	BS	MS	MS+20
A	$43,000	$49,000	$51,000
B	$43,800	$49,800	$51,800
C	$44,600	$50,600	$52,600
D	$45,400	$51,400	$53,400
E	$46,200	$52,200	$54,200
F	$47,000	$53,000	$55,000
G	$47,800	$53,800	$55,800
H	$48,600	$54,600	$56,600
I	$49,400	$55,400	$57,400
J	$50,200	$56,200	$58,200
K	$51,000	$57,000	$59,000
L	$51,800	$57,800	$59,800
M	$52,600	$58,600	$60,600
N	$53,400	$59,400	$61,400
O	$54,200	$60,200	$62,200
P	$55,000	$61,000	$63,000
Q	$55,800	$61,800	$63,800
R	$56,600	$62,600	$64,600
S		$63,400	$65,400
T		$64,200	$66,200
U		$65,000	$67,000
V		$65,800	$67,800
W		$66,600	$68,600
X		$67,400	$69,400
Y		$68,200	$70,200
Z		$69,000	$71,000
AA		$69,800	$71,800
BB			$72,600

NOTE: In addition to the basic salary provided in APPENDIX A-1, the Board shall also pay the Indiana Public Retirement System (INPRS) an additional Three Percent (3%) of each Teacher's salary as that Teacher's contribution to the INPRS.

APPENDIX B
NEW TEACHER BASE SALARY
SHOALS COMMUNITY SCHOOL CORPORATION

1. Effective upon the ratification of the 2026-2027 contract and moving forward, employees new to the district shall be offered a base salary based on prior years of verifiable experience in accredited public and private schools . New teachers hired prior to the ratification of this contract who possess a literacy endorsement will have their starting salary adjusted upward by $150.00.

2. New teachers will be hired commensurate with their number of years of experience and their degree, with the exception of Hard to Fill Positions (see below)

HARD TO FILL POSITIONS

a) A "hard to fill position" occurs whenever a vacancy for a teaching position is posted and either no applications are received or the applicants who respond are deemed unacceptable to the fill the position.
b) Whenever the Superintendent determines that a vacant teaching position meets the criteria of being "hard to fill", the Superintendent shall notify the President of the Association. Upon notification the Superintendent shall then be given the exclusive authority and discretion to seek a qualified person for the hard to fill position and the Superintendent shall be allowed to offer such a person a salary so that the Superintendent may secure a person for this hard to fill position. The amount of this salary shall not exceed 20% above where the teacher would have been placed using the new teacher placement procedure in #2 above, without mutual agreement of the Administration and the Association.
c) The salary offered shall be considered this teacher's base salary.

APPENDIX C-1

EXTRA-CURRICULAR ACTIVITIES PAY SCHEDULE
SHOALS COMMUNITY SCHOOL CORPORATION

Any provision in Appendix C-1 that is not permitted to be bargained is the School Corporation's policy, is for informational purposes only and was not bargained.

SHOALS COMMUNITY SCHOOL CORPORATION	**Must have AD Approval Due to Number of Participants**	
Boys Varsity Basketball	8000	
Boys Varsity Basketball Asst.	1500	
Boys JV Basketball	2000	
Freshman Boys Basketball	1500	Must Have Approval
Boys 8th Grade Basketball	2000	
Boys 7th Grade Basketball	2000	
Boys 6th Grade Basketball	1500	
Boys 5th Grade Basketball	1500	
Girls Varsity Basketball	8000	
Girls Varsity Basketball Asst.	1500	
Girls JV Basketball	2000	
Girls 8th Grade Basketball	2000	
Girls 7th Grade Basketball	2000	
Girls 6th Grade Basketball	1500	
Girls 5th Grade Basketball	1500	
Varsity Baseball	4000	
Varsity Baseball Asst.	1000	
MS Baseball	1000	
Girls Varsity Softball	4000	
Girls Varsity Softball Asst.	1000	
MS Softball	1000	
Varsity Volleyball	4200	
Varsity Volleyball Asst.	1000	
JV Volleyball	1000	
8th Grade Volleyball	1500	
7th Grade Volleyball	1500	
Boys & Girls Varsity Track	3100	
Boys & Girls Varsity Track Asst.	800	
Boys & Girls Junior High Track	1500	
Girls Varsity Track	Must Have Approval	$3100
Girls Varsity Track Asst.	Must Have Approval	$800
Girls Junior High Track	Must Have Approval	$1500
Varsity Cross Country	$1900	

Varsity Cross Country Asst.	Must Have Approval	$300
Junior High Cross Country	$700	
Varsity Golf	$2000	
Pep Club	$400	
Boys Varsity Soccer	$3200	
Boys Varsity Soccer Asst.	$550	
Boys JV Soccer	Must Have Approval	$550
Boys Junior High Soccer	$900	
Girls Varsity Soccer	$3200	
Girls Varsity Soccer Asst.	$550	
Girls JV Soccer	Must Have Approval	$550
Girls Junior High Soccer	$900	
High School Cheerleader Sponsor	$2312	
Junior High Cheerleader Sponsor	$600	
5th – 6th Grade Cheerleader Sponsor	$400	

NOTE: The Board shall also pay the Indiana Public Retirement System (INPRS) an additional 3% of each Teacher's ECA pay as that Teacher's contribution to the INPRS.

Portions of this provision unrelated to salary, wages, or fringe benefits are the school's policy, were not bargained, and are included for informational purposes only.

If a Teacher volunteers to work at an athletic event, he/she shall be paid as follows:

$13 per event in Grades 5-12

$15 per event for timekeeper and scorekeeper.

Teachers will be offered jobs first on a rotating basis. No one will be allowed to sign up for more than three (3) events until all Teachers have had the opportunity to sign up. If, after all Teachers have had an opportunity to sign up, vacancies still exist, then Teachers will be allowed to sign up for more than three (3) events. The jobs shall be distributed as evenly as possible among all Teachers, except the ticket seller.

If, in the event that not enough Teachers volunteer to work at an athletic event, the Principal shall assign Teachers to fulfill the needs for that particular athletic contest, at the same rate of

pay. Any Teacher who works at three (3) or more school athletic events shall receive two (2) season passes (not including tourneys) to all athletic events.

APPENDIX C-2
NON-ATHLETIC ECA

Any provision in Appendix C-2 that is not permitted to be bargained is the School Corporation's policy, is for informational purposes only and was not bargained.

NON-ATHLETIC ECA Position		2026-2027
Band Director –	$2882	
Choral Director –	Must have prior approval	$500
Yearbook	$1932	
High School Academic Coach	$1040	
Junior High Academic Coach	$1265	
Fall and Spring Play	$1040	
Senior Beta Sponsor	$1040	
Junior High Beta Sponsor	$1040	
Elementary Beta Sponsor	$850	
Junior Class Sponsor(s)	$3012	
Senior Class Sponsor(s)	$2550	
Sophomore Class Sponsor(s)	$260	
Freshman Class Sponsor(s)	$260	
Haunted House Sponsor(s)	$720	
Prom Sponsor(s)	$1050	
Senior Activities Sponsor(s)	$1530	
Junior Class Boys Concession Sponsor(s)	$1050	
Student Council Sponsor	$500	
Middle School Student Council Sponsor	$300	
Competition & Performance Dance Team	$850	
Winterguard	$500	
High School Robotics	$500	
High School FFA	$1040	
Elem Math Bowl	$300	
Elem Spell Bowl	$300	
Elem Robotics/Lego Coach – REMOVE	$300	
Elem Student Council	$300	
Teacher Mentors	Must have Prior Approval	$50

APPENDIX C-3

The following information is included in this Agreement for informational purposes only and is not subject to collective bargaining. Its inclusion does not constitute a negotiated term or condition of employment, nor does it limit the Corporation's authority to establish, modify, or discontinue the provisions described, subject to applicable law.

Sample spreadsheet of Non-Athletic ECA Position	Responsibilities	Pay	Note
Sr Class Sponsor 1	• Select Class Officers • Conduct at least 1 fundraiser • Assist with Graduation • Assist with Sr Trip	$250.00	1. The "position" categories here are listed as they were listed at the beginning of the school year. The total pay for each category will remain the same, not the number of people responsible for the category. For example, we've slated $500 total for "Sr Class Sponsor." This year, there are two sponsors ($250 each); with three sponsors, the total would be divided three ways ($167 each). Similarly, if there were only one sponsor, that person would receive the full $500.

Sr Class Sponsor 2		$250.00
Jr Class Sponsor 1	• Select Class Officers	$130.00
Jr Class Sponsor 2	• Conduct at least 1 fundraiser	$130.00
Soph Class Sponsor 1	• Select Class Officers	$130.00
Soph Class Sponsor 2	• Conduct at least 1 fundraiser	$130.00
Frosh Class Sponsor 1	• Select Class Officers	$130.00
Frosh Class Sponsor 2	• Conduct at least 1 fundraiser	$130.00
Haunted House Sponsor 1	• Plan & Organize HH	$380.00
Haunted House Sponsor 2	• Work & Monitor HH	$380.00
Boys' Varsity BB Concessions 1	• Order & Stock Concessions	$525.00

2.

The total dollar amounts equal the total dollar amounts listed on the newly proposed ECA paychart.

3.

This chart includes pay for 9 & 10 sponsors. (Those proposed funds

Boys' Varsity BB Concessions 2	• Concessions during Games • Note: Proceeds go to Jr. Class	$525.00
Prom Sponsor 1	• Plan & Organize Prom	$525.00
Prom Sponsor 2	• Work & Monitor Prom	$525.00

APPENDIX D
GRIEVANCE REPORT FORM
SHOALS COMMUNITY SCHOOL CORPORATION

GRIEVANCE REPORT

Submit in Duplicate

BUILDING ASSIGNMENT NAME OF GRIEVANT DATE FILED

_____

_____

_____

STEP 1

A. Date Cause of Grievance Occurred _____

B. 1. Statement of Grievance _____

_____

_____

_____

2. Relief Sought _____

_____

_____

_____

_____ _____

Signature (Grievant) Date

_____ _____

Signature (Association Representative) Date

STEP 2

A. Disposition by Principal _____

_____

_____

_____

_____ _____

Signature of Principal Date

STEP 3

A. Position of Grievant and/or Association _____

_____

_____

_____ _____

Signature (Association Representative) Date

_____ _____

Signature (Grievant) Date

STEP 4

A. Date Received by Superintendent _____

B. Disposition of Superintendent _____

_____

_____

_____ _____

Signature of Superintendent Date

STEP 5

A. Position of Grievant and/or Association _____

_____

_____

_____
Signature (Association Representative) _____
Date

_____
Signature (Grievant) _____
Date

STEP 6

A. Date Received by Board of Education _____

B. Disposition by Board _____

_____

_____

_____

_____
Signature of Board President _____
Date

If Additional Space Is Needed In Reporting Sections B.1. and B.2. of STEP 1, attach an additional Sheet.

APPENDIX E
ACTUARIAL DETERMINATION OF VALUE OF CURENT SEVERANCE & RETIREMENT BENEFITS
SHOALS COMMUNITY SCHOOL CORPORATION

A. ACTUARIAL DETERMINATION OF VALUE OF THE CURRENT SEVERANCE AND RETIREMENT BENEFITS.

The Educational Services Corporation ("ESC") has been selected to determine the present value of the unfunded retirement benefits described in the prior Agreement. In making this present value determination, ESC shall use the following assumptions:

1. Interest Rate. The assumed interest rate for the purpose of determining the present value is Four Percent (4%) in the first two (2) years of the plan and then Seven and One-Quarter Percent (7.25%) thereafter; however, for post-retirement cash flow purposes, a Four Percent (4%) interest rate shall be used.

2. Retirement Age. It is assumed that an employee terminates employment at the end of the school year in which the employee attains age fifty-eight (58) or at the end of the current year, if the individual is already fifty-eight (58) or older. An employee who continues employment after attaining age fifty-eight (58) shall continue to receive all ongoing Board contributions to the VEBA plan described in this Article and shall continue to share in future forfeitures in such VEBA plan on a reduced basis.

3. Retirement Bridge Pay. The anticipated amount of the Retirement Bridge Pay shall be calculated using the dollar amount set forth in ARTICLE III, Section C.3. of the prior agreement; however, it is assumed that individuals do not retire until the later of: (i) the attainment of age fifty-eight (58), or (ii) satisfaction of the eligibility requirements of this Article. *(See 2006-2008 Contract).*

4. Insurance. For purposes of calculating the value of the retirement health insurance benefit found in ARTICLE III, section C, of the prior Agreement, the parties agreed to use an assumed annual post-retirement group health insurance cost of Seven Thousand Dollars ($7,000.00) for the single premium, a single vision insurance cost of Eighty-Four Dollars and Thirty-Six Cents ($84.36), and a single dental insurance cost of One Hundred Twenty-One Dollars and Twenty Cents ($121.20). The parties further agreed to use an assumed annual inflation rate of Zero Percent (0%) for all of these insurance costs; however, it is assumed that individuals do not retire until the later of: (i) the attainment of age fifty-eight (58), or (ii) satisfaction of the eligibility requirements of section B.2. above. *(See 2006-2008 Contract).*

5. Termination Rate. The parties agree that a turnover rate of Three Percent (3%) per year shall be applied to calculate the present value of the retirement pay and early retirement benefits.

6. FICA. The present value of the future retirement bridge pay will be reduced by the Social Security and Medicare taxes (FICA) that would have been payable by the retiring Teacher if the retirement bridge benefit had been paid directly to the Teacher.

7. Exclusion of Employees. All Teachers newly hired or re-hired after April 30, 2004, shall not be entitled to any payment for the eliminated retirement benefits provided by ARTICLE III, section C. of the prior Agreement. In other words, no contribution shall be made for Teachers newly hired or re-hired after April 30, 2004. *(See 2006-2008 Contract).*

8. Rehired Employees. Amounts forfeited upon termination of employment because of the failure to meet the applicable vesting requirements shall not be reinstated or re-credited if an individual is subsequently rehired or re-employed by the School Corporation. However, if the Board shall have approved a leave of absence for an employee, such period of leave shall not result in forfeiture provided the employee shall promptly return to employment following the expiration of the period of leave.

9. Calculation Date. The present value of the retirement benefits under the prior Agreement shall be calculated, effective as of date the funds are deposited into individual accounts.

10. Confirmation of Data. To confirm the accuracy of the underlying information to be used in the present value calculations, each Teacher shall be provided with his or her basic data that will be used in the calculations, including but not limited to, the following information as of July 1, 2004: base salary, age, years of service, and accumulated sick leave. Educational Services Company shall assist in the preparation of this verification sheet for each Teacher; however, the Board will have the responsibility to forward the verification sheets to the respective Teachers. Any corrections must be returned to the Board within ten (10) calendar days of receipt of the verification sheets.

Using the above assumptions and the other assumptions contained on the buy-out spreadsheet, Educational Services Company shall prepare the present value calculations for the Teacher and the contributions described hereinafter will be made.

B. BUY-OUT CONTRIBUTIONS.

1. VEBA. The School Corporation shall contribute to a Voluntary Employees' Beneficiary Association ("VEBA") as described in section 501(c)(9) of the Code, that amount representing the present value of the group health, vision, and dental insurance benefits as calculated for all employees under subsection C. above. A vendor that is mutually agreed upon by the Board and the Association shall be the organization administering the VEBA and shall be the single investment vendor for the VEBA. Such funds shall be deposited within thirty (30) days of the establishment of the accounts with the vendor. The terms and conditions for the administration and operations of the VEBA shall be as follows:

    a. The amount calculated for each employee will be invested in a separate account. There will be no commingling of accounts and each employee may determine how his or her

account shall be invested among the investment options made available by the vendor for the VEBA plan.

b. Until such time that an employee has retired and satisfied the eligibility requirements set forth in this Article, the employee shall have no access to the assets held in his or her separate VEBA account.

c. If an employee retires or otherwise terminates employment before satisfaction of the requirements set forth in this section, the terminated employee's VEBA account shall be forfeited. Forfeited amounts shall be reallocated at the end of each plan year only among the then remaining separate VEBA accounts. This reallocation shall be in a manner similar to that used by the Educational Services Corporation in initially determining the present value calculations. Therefore, the VEBA accounts of the following employees will not share in the reallocation of a forfeiture of a VEBA account:

(i) Employees who forfeited their VEBA accounts in the same year;

(ii) Employees who previously forfeited their VEBA accounts; and

(iii) Employees who have attained the age of fifty-eight (58) and terminated employment in or before the year of the reallocated forfeiture.

Furthermore, VEBA accounts of employees who have attained the age of fifty-eight (58), but who have not terminated employment may share in the reallocated forfeiture, but on a reduced actuarial basis.

d. Following retirement and the satisfaction of requirements set forth in this Article, a retired employee may use the amounts held in his/her separate VEBA account to pay health insurance premiums, term life insurance premiums, and to be reimbursed for unreimbursed medical expenses of the employee, spouse, and dependents. Furthermore, following the death of an employee who has otherwise satisfied the requirements of this Article, any amounts remaining in the deceased employee's VEBA account may continue to be used to pay these premiums and expenses for the employee's spouse and dependents. At no time may the VEBA make loans to an employee, his/her spouse, or his/her dependents.

e. The School Corporation shall not be paid any compensation for its services performed on behalf of the VEBA account. All costs incurred in the administration of the VEBA accounts and investment fees shall be paid from the VEBA plan assets.

2. 401(a) Plan. The School Corporation shall establish a qualified retirement plan as described in section 401(a) of the Code. The total sum of the amount calculated by Educational Services Corporation as the present value for the retirement pay shall be contributed by the School Corporation to the 401(a) plan within thirty (30) days of the establishment of accounts with the vendor. The single investment vendor for the 401(a)

plan shall be ISTA Financial Services Corporation. The 401(a) plan's terms and conditions for the administration of the 401(a) plan shall be as follows:

a. The amount calculated for each employee will be invested in a separate account. There will be no commingling of accounts and each employee may determine how his or her account shall be invested among the investment options made available by the investment vendor for the 401(a) plan.

b. Until such time that an employee has retired and satisfied the eligibility requirements set forth in this Article, the employee shall have no access to the assets held in his or her separate 401(a) plan account.

c. If an employee retires or otherwise terminates employment before satisfaction of the requirements set forth in this Article, the terminated employee's 401(a) plan account shall be forfeited. The forfeited amounts shall be reallocated at the end of each plan year only among the then remaining separate 401(a) plan accounts in a manner similar to that used in initially determining the present value calculations. 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:

   (i) Employees who forfeited their 401(a) plan accounts in the same year;

   (ii) Employees who previously forfeited their 401(a) plan accounts; and

   (iii) Employees who have attained age of fifty-eight (58) and terminated employment in or before the year of the reallocated forfeiture.

Furthermore, 401(a) plan accounts of employees who have attained the age of fifty-eight (58), but have not terminated employment may share in the reallocated forfeiture, but on a reduced actuarial basis.

d. Following retirement and the satisfaction of the requirements set forth in this Article, a retired employee may elect to commence distributions from his 401(a) plan account. If an employee dies after having satisfied the requirements of this Article, the deceased employee'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 401(a) plan account.

e. The School Corporation shall not be paid any compensation for its services performed on behalf of the 401(a) plan. All costs incurred in the administration of the 401(a) plan and investment fees shall be paid from the 401(a) plan assets.

C. FUTURE ADJUSTMENTS.

The parties agree that this Article, or any other provision of this Agreement, does not constitute an expectation of receiving the enumerated retirement benefits by any current employee, future

employee, prospective employee or applicant beyond the expiration of this Agreement. Therefore, except as otherwise limited by applicable law, it is understood that the Board and Association may in the future bargain modifications of any kind to this provision, provided however, that the future revision of this Article shall not affect the retirement benefits of Teachers already receiving benefits pursuant to this section.

This copy compliments of
members of the Shoals Teachers Association
and ISTA UniServ