

Saugus Union School District

24930 Avenue Stanford, Santa Clarita, California 91355

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Memorandum of Understanding Between the CSEA and the Saugus Union School District Post Retirement Cash in Lieu of Benefits June 9, 2008

This Memorandum of Understanding serves to clarify the Cash In Lieu of Benefits for Retirees:

- Retirees must request to participate in the Cash In Lieu program during the District's standard Open Enrollment Period
- The Cash In Lieu benefit will be earned at the same rate as the retiree's earned prorated benefits entitlement (e.g. if an employee receives 40% of their medical cap, they will receive 40% of the negotiated Cash In Lieu benefit)
- Employees retiring will begin to accrue the Cash In Lieu benefit on the second first of the month following retirement (e.g. if an employee retires June 15, he/she will begin to accrue Cash In Lieu benefits on August 1)
- Payment will be made one a year in December
- The Cash In Lieu benefit will be taxable
- The Cash In Lieu of benefits will end when the retiree turns age 65
- The Benefits Department will send a reminder notice to eligible retirees of the Open Enrollment Period
- The Benefits Department will run a supplemental payroll run for the Cash In Lieu payment which will automatically generate a W-2
- If there is a Qualifying Event, retirees can opt out of Cash In Lieu at any time during the year, but they can only switch into Cash In Lieu during the Open Enrollment Period
- The terms of this MOU are effective July 1, 2007

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