



FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
Human Resources Department

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MEMORANDUM OF AGREEMENT

SICK LEAVE RETIREMENT COMPENSATION

The Fairbanks North Star Borough School District (district) and the Education Support Staff Association (ESSA) bring forth a memorandum of agreement (MOA) regarding Article 10.4(h) of the July 1, 2019 - June 30, 2022 negotiated agreement. The article currently states:

h. Accumulated Sick Leave Compensation

1. If an employee is eligible for retirement and PERS retirement becomes effective immediately, then at the time of termination, the retiring employee shall receive seventy-five percent (75%) pay at his/her current salary for accumulated unused sick leave as follows:

5 - 14 years of service
 After 15 years of service

40% of employee's accumulated hours
 all hours in employee's account

2. If the state retirement system (PERS) changes its procedures to allow retirement credit for retirees, then this provision (Article 10.4.h) shall become null and void.

Beginning July 1, 2006, new employees to the State of Alaska public employee retirement system (PERS) were classified as Tier IV employees. Tier IV employees are part of a defined contribution benefit plan, though the other remaining three tiers were a defined benefit plan. Tier IV employees are no longer provided a notice of eligibility to retire from the State of Alaska. The notice of eligibility is the required documentation to facilitate the sick leave compensation noted in Article 10.4(h). The district has no method to determine whether a Tier IV employee is actually eligible for retirement, which is an aspect of the contractual language in Article 10.4(h).

Through this MOA, the district and ESSA agree that Tier IV employees will qualify for compensation of their accumulated sick leave having met the qualifying criteria for Tier III employees, which means vested in the pension plan at 5 years of service and of the normal retirement age of 60.

Agreed to by the Fairbanks North Star Borough School District:

DocuSigned by:

Ivory McDaniel-Ilggenfritz

Ivory McDaniel-Ilggenfritz

Executive Director of Human Resources

1/13/2021

Date

Timothy Doran

Timothy Doran, President
 Board of Education

1/25/21

Date

Agreed to by the Education Support Staff Association:

DocuSigned by:

Jasmine Adkins-Brown

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Jasmine Adkins-Brown
President

1/13/2021

Date