

## MEMORANDUM OF UNDERSTANDING

Illinois Valley Community College (College), through its duly authorized agent, and IFT Local 1810 (Union), through its duly authorized agent, agree to the following:

- 1) This memorandum of understanding shall replace the previous memorandum of understanding dated December 8, 2022.
- 2) The following shall be applicable to the High Deductible Health Plans (offered by the College to its faculty) during each year of the current Collective Bargaining Agreement:
  - a) Embedded Calculation  
Deductible amounts for the "embedded" plan (under the HSA) shall be calculated using an "embedded" process (as opposed to an "aggregated" process), as commonly defined in the insurance industry.
  - b) Aggregated Calculation  
Deductible amounts for the "aggregated" plan (under the HSA) shall be calculated using an "aggregated" process (as opposed to an "embedded" process), as commonly defined in the insurance industry.
  - c) Affordability as defined by the IRS (Plan 7 Only)  
The affordability percentage under the Affordable Care Act is defined annually by the IRS. The affordability percentage is used to determine if employer-sponsored health coverage is affordable.
- 3) Faculty can elect to remain on the "embedded" or move to the one of the "aggregate" plans offered by the College. Moving from "embedded" to "aggregate" is irrevocable. Faculty will be allowed to switch back and forth between the Plan 3 and Plan 7 aggregate plans during open enrollment or for a qualifying event.
- 4) Faculty hired after December 31, 2022 will be automatically placed on one of the offered "aggregate" plans, should they elect to participate in the College insurance option.
- 5) The Letter of Agreement dated May 7, 2013 will remain in effect for all faculty who elect to remain on the "embedded" plan offered by the College, except as modified herein.
- 6) Deductibles and Out-Of-Pocket Limits (in network) for the Plan 3 aggregate plan.  
The deductibles and out-of-pocket limits for employees under the HSA Plan 3 aggregate option who selected either: 1) individual coverage shall remain as previously agreed upon by the parties (\$2000/\$4000), 2) Employee plus One, or 3) Family coverages shall remain the same as previously agreed upon by the parties (\$4000/\$6550).
- 7) Plan 7 aggregate (affordable) plan to be available effective January 1, 2025.

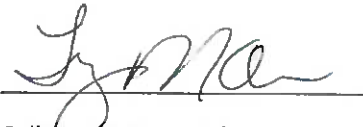
Faculty can elect to enroll in Plan 7 as one of the aggregate plan options. The deductibles and out-of-pocket limits for employees under the HSA Plan 7 aggregate option who selected either: 1) individual coverage shall be (\$3,000/\$6,000) effective January 1, 2025 2) Employee plus One, or 3) Family coverages shall be (\$6,000/\$12,000) effective January 1, 2025.

- 8) Deductibles and Out-Of-Pocket Limits (in network) for embedded plan.

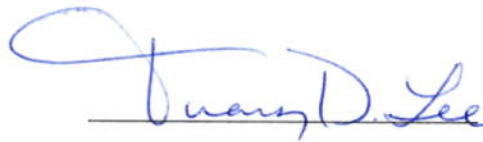
The deductibles and out-of-pocket limits for employees under the HSA embedded options who selected either: 1) individual coverage shall remain as previously agreed upon by the parties (\$3000/\$4000), 2) Employee plus One, or 3) Family coverages shall remain the same as previously agreed upon by the parties (\$4000/\$8000).

- 9) Deductibles and out-of-pocket max would only be changed in the event of changes for IRS compliance including meeting the annual affordability percentage for Plan 7.
- 10) All issues having been resolved, all other provisions of the High Deductible Health Plan shall remain in effect.

November 1, 2024



College, By Its President



Union, By Its President