

Letter of Agreement
Between the
Ann Arbor Public Schools Board of Education
And the
Ann Arbor EA/MEA/NEA

Re: Voluntary Severance Policy (VSP)

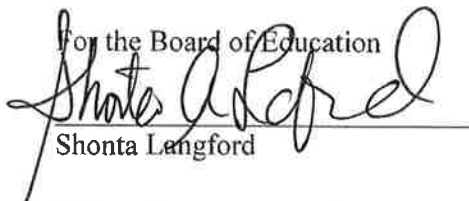
The Parties agree as follows:

If a minimum of 75 eligible AAEA staff commit by June 1, 2024 to resign/retire for the 2024/25 school year, the district will pay the following severance pay:

- 75-99 staff- fifteen thousand dollars (\$15,000)
 - 100-124 staff- twenty thousand dollars (\$20,000)
 - 125 + staff- twenty-five thousand (\$25,000)
- a. The staff member must submit a letter of resignation with an effective date of exit between June 14, 2024 and August 16, 2024, along with the Voluntary Separation Agreement and Waiver/Release Form provided by the district by June 1, 2024.
 - b. Recipients of the VSP funds must at least be at step 11 of the 2023-2024 salary schedule and have 10 years of service with the Ann Arbor Public School District.
 - c. There shall be 2 annual payments made by the District. All payments shall be deposited as a non-elective employer contribution to a 403(b)-plan account of the recipient's choice provided through MEA Financial Services. There shall be no cash option to this employer contribution.
 - d. The first half payment - will be made by the employer into each recipient's designated 403(b) plan not later than October 15, 2024, the second half payment will be paid into each recipient's 403(b) plan no later than March 10, 2025.
 - e. Any participating recipient that would exceed the section 415(c) total employer maximum annual contribution limit governed by IRS Code Section 415(c) may elect an alternative payout schedule agreeable to the District, the Ann Arbor EA and the employee. Documentation shall be provided by the recipient supporting the need for an alternative payout schedule prior to the first payment specified above in subsection (e).
 - f. These payments to recipients by the District will constitute nonelective employer contributions under Sections 403(b) and 415 of the Internal Revenue Code (IRC).
 - g. The payments outlined in this Agreement will be in addition to any payments forthcoming under the terms of the 2022-2025 Master Agreement.
 - h. The 403(b) policy [and the 403(b)-plan document] of this school district shall provide that all employees are eligible to retire from the school district for the purpose of the district's 403(b) contributions at any time before or after

termination of employment to the extent allowed by the Internal Revenue Code and the regulations thereunder.

2. Participation in the VSP is strictly voluntary and neither party will coerce or attempt to make this decision anything but voluntary for all eligible Association members.
3. This Agreement will become effective immediately upon the date and time of signatures by both parties.
4. AAEA staff who have already committed to resign/retire for the 2024-2025 school prior to this MOA becoming effective, will be eligible for the VSP provided they complete Voluntary Separation Agreement and Waiver/Release Form provided by the district by June 1, 2024.

For the Board of Education

Shonta Langford

Date 5-13-2024

For the Association

George Przygodski

Date 5-10-2024