

Section 3: Vesting

All employees hired prior to January 1, 2007 and enrolled in the Zachary Community School Board (ZCSB) group health plan prior to January 1, 2007 will be fully vested, and ZCSB will continue to pay 100% of the employer portion of the Health Benefit Premium after the employee retires. All such vested employees who have qualified dependents enrolled in the ZCSB health plan prior to January 1, 2007 shall have those dependents similarly vested.

Employees who are hired and enrolled in the group health plan on or after January 1, 2007 will be vested for health insurance benefits as follows.

Completed years of employment	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
% of employers portion of premium	0	0	0	10%	20%	30%	40%	60%	80%	100%

Employees, and qualified dependents of employees, who were employed by ZCSB prior to January 1, 2007 but not enrolled in the ZCSB group health plan prior to January 1, 2007, will be required to follow the same vesting schedule as employees hired on or after January 1, 2007.

DEPENDENTS OF EMPLOYEES HIRED ON OR AFTER JANUARY 1, 2007

Dependents of employees who are enrolled on or after January 1, 2007 will have their health insurance benefit vested as follows.

Completed years of enrollment	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
% of employers portion of premium	0	0	0	0	0	0	0	0	0	50%

ALTERNATIVE COVERAGE

Any retiring employee and qualified dependent who qualifies for Medicare coverage will be required to obtain Medicare, Part A coverage as the primary coverage for their retirement health insurance. These retired employees will be enrolled in a Medicare Group Supplement Plan (when available).

PREMIUM PAYMENT

Payment of the retired employee's portion of the health premium (for all ZCSB retirees) must be made in one of two methods:

Method 1 – Bank Draft

Method 2 – Appropriate Retirement Payroll reduction (when available)

Method 3 – Direct Billing