

## MEMORANDUM OF AGREEMENT

between

Lane Community College (LCC) and Lane Community College Employee Federation (LCCEF)

### SECTION 125 CONTRIBUTIONS

This memorandum of agreement (MOA) reflects the agreement between Lane Community College Employee Federation (LCCEF) and Lane Community College (LCC) in response to IRS changes limiting employer contributions to Sec. 125 accounts. This MOA shall take effect beginning with the annual election process in November 2022 for Section 125 accounts beginning with the 2023 calendar year. The Collective Bargaining Agreement and all MOAs shall remain in effect. The parties agree to the following terms.

**1. Classified Minimum Contribution.** In order to participate in a Sec. 125 account, classified members shall continue to contribute a minimum of \$240 per year.

**2. College Contribution: Employee Only.**

a. For classified members contributing \$500 or less to Sec. 125, the College shall contribute \$500 annually to the classified member's Sec. 125 account. In addition, the College shall pay a stipend of \$170 to such classified members no later than February 10 each calendar year.

b. For classified members contributing between \$500.01-\$670.00 to Sec. 125, the College shall match the classified member's contribution dollar for dollar up to \$670.00. In addition, the College shall pay a stipend no later than February 10 each calendar year according to the following formula where x is the amount the classified member contributes annually.  $(\$670 - x) = \text{stipend amount}$ . Example: if a classified member contributes \$600, the stipend amount will be 70 i.e.,  $(\$670 - \$600) = \$70$ .

c. For classified members contributing \$670 or more to Sec. 125, the College shall match the classified member's contribution dollar for dollar up to \$670. Example: if a classified member contributes \$670, the College will contribute \$670.

**3. College Contribution: Employee plus Spouse/Partner**

a. For classified members contributing \$500 or less to Sec. 125, the College shall contribute \$500 annually to the classified member's Sec. 125 account. In addition, the College shall pay a stipend of \$840 to such classified members no later than February 10 each calendar year.

b. For classified members contributing between \$500.01-\$1,340.00 to Sec. 125, the College shall match the classified member's contribution dollar for dollar up to \$1,340. In addition, the College shall pay a stipend no later than February 10 each calendar year according to the following formula where x is the amount the classified member contributes annually.  $(\$1,340 - x) = \text{stipend amount}$ . Example: if a classified member contributes \$600, the stipend amount will be \$740 i.e.,  $(\$1,340 - \$600) = \$740$ .

c. For classified members contributing \$1,340.01 or more to Sec. 125, the College shall match the classified member's contribution dollar for dollar up to \$1340. Example: if a classified member contributes \$1,400, the College will contribute \$1,340.

**4. College Contribution: Employee plus Child(ren)/Full Family.**

a. For classified members contributing \$500 or less to Sec. 125, the College shall contribute \$500 annually to the classified member's Sec. 125 account. In addition, the College shall pay a stipend of \$1,215 to such classified members no later than February 10 each calendar year.

b. For classified members contributing between \$500.01-\$1,715.00 to Sec. 125, the College shall match the classified member's contribution dollar for dollar up to \$1,715. In addition, the College shall pay a stipend no later than February 10 each calendar year according to the following formula where x is the amount the classified member contributes annually.  $(\$1,715 - x) = \text{stipend amount}$ . Example: if a classified member contributes \$600, the stipend amount will be \$1,115 i.e.,  $(\$1,715 - \$600) = \$1,115$ .

c. For classified members contributing \$1,715.01 or more to Sec. 125, the College shall match the classified member's contribution dollar for dollar up to \$1,715. Example: if a classified member contributes \$1,800, the College will contribute \$1,715.

**5. Stop Loss Provisions**

a. In the event that member participation in the program results in aggregate stipend totals from items 2, 3, and 4 above that exceeds the total amount of "at risk" employer expenditures from the 2021 plan year (\$105,327) less direct OPE costs (25%), then corresponding stipends will be reduced by an equal proportion such that the aggregate stipend amount shall not exceed \$84,267 ( $\$105,327 \text{ divided by } 1.25$ ) and the total cost to LCC shall not exceed \$105,327.

12/16/2022  
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For LCCEFDate  
Signed

*Shane Turner*12/16/2022  
\_\_\_\_\_  
For LCCDate  
Signed