

300 SOUTH WACKER DRIVE, SUITE 3400 | CHICAGO, IL 60606

T: 312.986.0300 | F: 312.986.9192 | WWW.FRANCZEK.COM

AMY KOSANOVICH DICKERSON

312.786.6108

akd@franczek.com

**Midwest Principal Center Legal Breakfast
Employee Contracts and Retirement
December 2014**

Standard (and Potential) Administrator Contract Provisions

➤ Contract Duration

- If 2 to 5 years, then performance goals must be included in the contract (and tenure suspension provision)
- If one year, then no performance goals would be included (and tenure rights are not suspended)

➤ Salary

- Fixed for each year of contract or agreement to negotiate in future years?

➤ Performance Goals and Objectives:

- Tied to student improvement and academic achievement
- Must finalize before the contract is signed and approved by the Board
- Must be in or attached to contract

1.

➤ Suspension of Tenure

- For multi-year contracts

➤ Evaluation:

- Evaluation of administrator
- Frequency of evaluation
- Tied to performance goals
- Principals and assistant principals – evaluations must be completed by March 1

➤ Duties

- Enumeration of duties

➤ TRS Pick-up:

- Some districts use a sliding scale increasing pick-up over the life of the contract (starting at 4%) - 9.4% to 8.0%.

➤ THIS Pick-up:

- Still an option at .97%
- Salary and other compensation may include pick-up of TRS and THIS or TRS and THIS pick-up may be in addition to salary and other compensation

➤ Insurance and Benefits:

- Life, Dental (Single or Family), Health (Single or Family), Disability
- Payment in lieu of insurance.

➤ Background Check:

- Make sure it is a condition precedent.

➤ Administrative Certificate:

- At time of employment and throughout contract?

➤ Physical:

- Make sure Administrator submits fit for duty report, at cost of the Board.
- One time or on annual basis?

➤ Vacation days:

- Number of days
- Can there be a buyback or rollover (maximum total)

➤ Sick Leave:

- Number of days
- Accumulation and reimbursement

- Professional Development:
 - If seeking an advanced degree, may tie it to the Board's goals and allow for reimbursement up to \$5,000 per year.
- Professional Organizations and Activities:
 - Which ones?
 - Cost limit?
 - Board approval or notification required?
- Outside Activities (Employment):
 - Allowed or restricted?
 - Usually have to be approved by the Board.
- Automobile and Transportation Expenses:
 - Reimbursement for transportation expenses, give an auto or allowance.
 - If allowance or reimbursement, identify scope and limits
- Business Expenses
 - Scope and procedure for reimbursement
- Retirement:
 - Payment upon retirement? Properly creditable for TRS purposes?
 - Salary increases above 6% prior to retirement may cause the Board to pay a penalty
 - Tier I and Tier II – applicability under Public Act 96-0889
- 403(B) and 457 Plan Contributions:
 - Still a viable incentive.
- Post Retirement Insurance:
 - Payment for retirement insurance until Medicaid eligible.
- Moving expenses:
 - Still available option.

➤ Termination:

- Unilateral by the Administrator (\$20,000 liquidated damages clause for superintendents)
- Unilateral by the Board
 - For cause (define cause)
 - Buyout clause?
- Mutual agreement
- Notice provisions
- Disability termination
- Death

➤ Renewal/Non-renewal Notice:

- Procedure for renewing contract
- Procedure for non-renewal of contract
 - Notification of non-renewal
 - Applicable dates
 - Hearing procedure?

➤ Other Technical Clauses