

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE BOARD OF EDUCATION OF DIXON PUBLIC SCHOOL DISTRICT NO. 170
AND
DIXON EDUCATION ASSOCIATION**

This Memorandum of Understanding (MOU) is entered into by and between the Board of Education of Dixon Public School District No. 170, Lee County, Illinois (“Board” or “District”), and the Dixon Education Association (“DEA”)

I. BACKGROUND

The Parties’ entered into a MOU on or about June 25, 2025, that attempted to address issues relating to contractual caps on compensation and performance of extra duties, due to provisions of the current Collective Bargaining Agreement. It was the intent of the Parties to be clear that post-retirement payments were to be excluded from creditable compensation under TRS guidelines and qualified as post-retirement bonuses not tied to services rendered. TRS has recently inquired and questioned whether the contemplated payments are for services rendered during the period of employment and therefore constitute creditable compensation. No member of the DEA has yet received payment under the prior MOU. The Parties desire to revoke the prior MOU and to clarify the intent.

II. CBA PROVISIONS

The Parties CBA contains the following terms and conditions:

- a. *A teacher under this retirement program will not be able to earn more than six percent (6%) of the previous year's Program Creditable Earnings, regardless of assignment or possible movement on either the salary schedule or extra duty schedule.*

To the extent that the retirement benefits described under this Section shall cause the Board to pay additional penalties to TRS, the Board shall have the right to reduce the payment of such benefits so that the Board will not incur such penalties.

The Parties’ ratified 2025-2028 Collective Bargaining Agreement contains the following provisions:

- a. *The Board will not be obligated to pay a penalty imposed by TRS due to the teacher's salary exceeding the TRS cap if the teacher retires any time after submitting his/her letter of retirement. For example, a teacher who received a salary increase greater than 6% in the three years prior to the year the retirement benefits provided under this Section would begin would not be eligible for the retirement benefits.*
- a. *A teacher under this retirement program will not be able to earn more than six percent (6%) of the previous year's Program Creditable Earnings, regardless of assignment or possible movement on either the salary schedule or extra duty schedule.*

To the extent that the retirement benefits described under this Section shall cause the Board to pay additional penalties to TRS, the Board shall have the right to reduce the payment of such benefits so that the Board will not incur such penalties.

III. ISSUE

It was not the Parties intent to designate payments under the June 25, 2025, MOU as payment for services, but rather post-retirement bonuses excluded from creditable compensation. To be clear on the Parties intent and to recognize the caps on increased compensation within the CBA, the Parties need to revoke the prior MOU. The Association acknowledges that implementation of salary caps is contractually provided and will cause reduction in earnings of certain employees.

IV. RESOLUTION / AGREEMENT

The Parties agree that the prior MOU is rescinded and shall be considered null and void. The District shall be relieved from making any payment thereunder. This MOU shall replace the same.

FOR THOSE EMPLOYEES RETIRING UNDER THE PROVISIONS OF THE 2022-2025 COLLECTIVE BARGAINING AGREEMENT IT IS AGREED:

1. The District will calculate a six percent (6%) increase on each retiring employee's 2024-2025 salary.
2. The District will bring each retiring employee's 2025-2026 salary up to a six percent (6%) increase, with the same six percent (6%) increase applied in each year thereafter until retirement.
3. Upon each employee's retirement the District will provide the employee with a post-retirement longevity bonus payment, excluded form creditable earnings, in the amount of \$8,000. Payment of this amount is to be made not less than 90 days after the month in which the employee retires and completes service with the District.
4. The employee shall have the option of receiving the post-retirement longevity payment in a lump sum amount excluding all taxes and lawful withholding, or, provided that the employee had enrolled (no later than February 1st of the year in which they retire) in such a plan they may choose to have the money deposited into a qualified 403b or 457 retirement account.
5. A list of employees who currently have active retirement agreements will be attached to this MOU as Exhibit A. The list will include each employee's FY25 salary and retirement date.
6. The post-retirement longevity bonus agreement, as outlined herein, will expire upon the retirement of the last individual on the attached list.
7. Employees who give notice under the ERO, may not perform extra duties, or positions that receive stipends, that might trigger payments to TRS for excess salary amount over the 6% limit except those provided for in paragraph 9 (below).
8. For individuals in the retirement que who earned and received a stipend in FY 25, the stipend amount for FY 26 will be increased by 6% over the prior year.

9. Three designated employees, Crawford, Burgess, Thorpe shall remain eligible for payment of extra duties, even though such amounts may cause excess salary increases subject to TRS assessment. These are earnings already established and therefore the District desires to recognize the same.
10. If legislative changes are made to assignment of extra duties that may cause increase in compensation potentially subject to TRS assessment for excess salary, the Board and DEA agree to meet and discuss.
11. Individuals who gave notice in FY 25, will be granted an opportunity to revoke the letter of intent and reenter a new letter for the next 4 years (FY 27 – FY 30). Such revocation must be done within twenty-one days of approval of this MOU or the opportunity will be waived.

IN WITNESS WHEREOF, the Parties have executed this Agreement on this day of _____

**BOARD OF EDUCATION OF DIXON
SCHOOL DISTRICT NO. 170
LEE COUNTY, IL**

DIXON EDUCATION ASSOCIATION

By: _____
Board Representative

By: _____
Association Representative

Exhibit A:

Employee	Retirement Date	FY 25 Salary
Alston, Jill	6/30/2028	\$86,718.00
Bally, Michelle	6/30/2029	\$78,553.00
Burgess, Jason	6/30/2029	\$83,623.00
Bushman, Elizabeth	6/30/2027	\$83,089.00
Clark, Jeff	6/30/2028	\$85,586.00
Crawford, Dan	6/30/2028	\$86,833.00
Durband, Paula	6/30/2028	\$79,975.00
Eastman, Lee	6/30/2027	\$51,967.00
Ferguson, Eric	6/30/2029	\$83,622.00
Gillespie, Rita	6/30/2028	\$84,303.00
Hansen, Stacy	6/30/2028	\$86,729.00
Kitzman, Tracy	6/30/2028	\$81,717.00
Lauer, Susan	6/30/2026	\$82,633.00
Longan, Lynn	6/30/2028	\$84,303.00
Mauch, Darwin	6/30/2028	\$86,833.00
Munson, Kim	6/30/2028	\$86,729.00
Randick, Don	6/30/2027	\$82,111.00
Scott, Amy	6/30/2028	\$89,598.00
Spinden, Michelle	6/30/2027	\$86,068.00
Thorpe, Evan	6/30/2028	\$85,582.00