



PROCEDURE

Policy Name:	Retirement Medical Expense Plan (VEBA)
Policy Number:	4726
Applicable Code/Law:	RCW 28B.50.553, RCW 41.04.340

Definitions:

Declared Retiree – Employee who has submitted written notice of intent to retire to the Office of Human Resources.

Eligible Employee – Employees who accrue compensable sick leave belonging to one of the following groups: a) Faculty (full-time and associate), b) Administrative/Exempt Staff, or c) Classified Staff.

Retirement – Termination of employment by an eligible employee due to age and/or service criteria as determined by the applicable retirement plan, or retirement due to a disability (as determined by employer and/or applicable retirement plan after consideration of a comprehensive medical evaluation).

VEBA Plan – “VEBA” stand for voluntary employees’ beneficiary association. The College participates in a medical expense plan funded with sick leave cash out at retirement. The College’s VEBA Plan is provided through VEBA Trust, which is a non-profit, multiple employer VEBA authorized under the Internal Revenue Code 501(c)(9).

Procedural Guidelines

When a VEBA Plan is in effect for an eligible employee group, all eligible retiring employees in that group who have accrued unused compensable sick leave at retirement are required to participate in the VEBA Plan. There is no minimum accrued sick leave required to participate in the VEBA Plan. In accordance with Washington State’s Attendance Incentive Program, as delineated in RCW 28B.50.553 and RCW 41.04.340, contributions to the VEBA Plan made on

behalf of each eligible employee shall be at a rate equal to one day's current monetary compensation of the employee for each four full days of accrued compensable sick leave.

Eligible employees must sign a VEBA enrollment form, which includes a "hold harmless" agreement, prior to leaving employment. If the VEBA enrollment is not signed, the employee forfeits all rights for any compensation for unused compensable sick leave.

The VEBA Plan at Shoreline Community College shall be administered as follows:

1. Full-Time and Associate Faculty

- a. The VEBA Plan for full-time and associate faculty shall remain mandatory and in effect for all eligible employees in this group, except in the event that the plan is suspended under the procedure as identified under the Memorandum of Understanding between Shoreline Community College and the Shoreline Community College Federation of Teachers, Local Number 1950 regarding Administrative Procedures for Determining Participation in Sick Leave Compensation at Retirement – VEBA Plan. If suspended for a tax year, the VEBA Plan will automatically be reinstated for the next tax year unless again suspended following the same procedure outlined in the MOU.

2. Administrative/Exempt Staff

- a. Shoreline Community College has adopted the VEBA Plan for administrative/exempt staff and shall make contributions on behalf of all employees in the group who are eligible to participate in the VEBA Plan. The VEBA Plan shall automatically remain in effect for all tax years, except in the event that a group vote of the declared retirees is called for by a retiring member of the group. The call to vote must be in a written form by a declared retiree member, and must reach the administrative head of Human Resources by November 1 of the current year for the following tax year. The vote shall be conducted by the Office of Human Resources, and ballots must be counted by at least one employee group member and the administrative head of HR or their designee. The outcome of the vote shall take the form of a recommendation to the President, with whom the decision rests. If the Plan is suspended by decision of the President, the VEBA Plan will be reinstated the following tax year unless suspended again by this same procedure.

3. Classified Staff

- a. The VEBA Plan for classified staff shall remain mandatory and in effect for all eligible employees in this group, except in the event it is suspended under the procedure as identified under the Memorandum of Understanding between Shoreline Community College and the Washington State Federation of

Employees (WFSE) regarding Voluntary Employees' Beneficiary Association. If suspended for a tax year, the VEBA Plan will be automatically reinstated for the next tax year unless again suspended following the same procedure outlined in the MOU.

Eligible sick leave compensation under this policy shall be deposited with the VEBA Trust, c/o the VEBA Plan Administrator, within thirty (30) days following the retiring employees' completion of the VEBA enrollment form, which includes the required "hold harmless" agreement.