

# VEBA Plan Memorandum of Understanding



Between  
SHORELINE SCHOOL DISTRICT and FOOD SERVICES

The Shoreline School District ("District") has adopted the VEBA Health Reimbursement Plan ("Plan"). The District agrees to contribute to the Plan on behalf of all employees in the collective bargaining group ("Group") defined as eligible to participate in the Plan. Each eligible employee must submit a completed and signed Enrollment Form to become a Plan participant and be eligible for benefits under the Plan.

The following selected contribution(s) shall be made during the term of this agreement:

### MONTHLY CONTRIBUTIONS

**Mandatory Employee Contributions:** The District and the Group agree that the Group's compensation package will be changed such that eligible employees shall receive additional benefits in the form of VEBA Plan contributions equal to \$ \_\_\_\_\_ which shall be calculated and contributed on a monthly basis and the employees salary shall be reduced in an equal amount. Such contributions shall be made on behalf of all group employees defined as eligible and shall be considered and referred to as employer contributions.

**Unused State Allocated Employee Benefit Dollars:** Eligibility for contributions on a monthly basis is limited to employees with unused state allocated employee benefit dollars to their credit after the pooling process has been completed in accordance with RCW 28A.400.270 and 28A.400.280. To be eligible during the term of the Plan, an employee must have unused state allocated employee benefit dollars during the term of this agreement.

### LEAVE CASH-OUT CONTRIBUTIONS

**Vacation Leave Contributions – Retirement or Separation from Service:** Eligibility for contributions at retirement or separation from service is limited to employees who retire or separate from service with vacation leave cash-out rights during the term of this agreement.

**Personal Leave Contributions:** Eligibility for contributions is limited to employees who have accumulated <##> days of unused personal leave. To be eligible, an employee must have unused personal leave cash-out rights during the term of this agreement.

**Sick Leave Contributions – Annual:** Eligibility for contributions on an annual basis is limited to employees who have accumulated 180 days (or more if eligible<sup>(1)</sup>) of unused sick leave. To be eligible during the term of this agreement, an employee must have earned at least 180 days of unused sick leave as of the effective date, not including any front loaded days.

**Sick Leave Contributions – Retirement or Separation from Service:** Eligibility for contributions at retirement or separation from service is limited to employees who retire or separate from service with sick leave cash-out rights during the term of this agreement shall be eligible.

**NOTE:** All leave cash out contributions on behalf of each eligible employee shall be based on the cash-out value of leave days or hours accrued by such employee available for contribution in accordance with statute and District policy or procedure. For sick leave cash-outs, it is understood that all eligible employees will be required to sign and submit to the District a hold harmless agreement complying with RCW 28A.400.210. If an employee eligible for such sick leave contribution fails to sign and submit such agreement to the District, the District will not make sick leave cash-out contributions to the Plan at any time during the term of this agreement, and any and all excess sick leave which, in the absence of this agreement, would accrue to such employee during the term hereof shall be forfeited together with all cash rights that pertain to such excess sick leave.

**Other Contributions** (Please specify the employee eligibility and current formula for determining the contribution): \_\_\_\_\_

The term of this agreement shall be from September 1, 2010 to August 31, 2011<sup>(2)</sup>

  
Signed for the FOOD SERVICES

  
Signed for the SHORELINE SCHOOL DISTRICT

10/26/10  
Date

10/29/10  
Date

<sup>(1)</sup> Employees whose employment contract exceeds 180 days may accrue sick leave up to their annual contract amount. Such employee groups may consider a higher eligibility threshold for annual sick leave contributions to the VEBA Plan.

<sup>(2)</sup> The language in this model agreement assumes the term shall coincide with the employee group's contract year (i.e. September 1 to August 31).