

VEBA HEALTH REIMBURSEMENT PLAN  
MEMORANDUM OF UNDERSTANDING

Between  
KENT SCHOOL DISTRICT  
AND  
TEAMSTERS

Kent School District has adopted the health reimbursement arrangement (HRA) plans offered and administered by the Voluntary Employees' Benefit Association (VEBA) Trust for Public Employees in the State of Washington: the **Standard HRA Plan**, which shall be integrated with the Employer's or another qualified group health plan and to which the Employer shall remit contributions only on behalf of eligible employees who are enrolled in or covered by such qualified group health plan and any other contributions that may be permitted under applicable law from time to time; and the **Post-separation HRA Plan** to which the Employer may remit contributions on behalf of eligible employees, including eligible employees who are not enrolled in or covered by the Employer's or another qualified group health plan, and which shall provide benefits only after a participant separates from service or retires. Employer agrees to contribute to the Plans on behalf of all employees in the Teamsters Bargaining Group defined as eligible to participate in the Plans.

**Contributions on behalf of each eligible employee shall be based on the following selected funding sources/formulas:**

- **Sick Leave Contributions – Retirement or Separation from Service:** Eligibility for contributions retirement is limited to employees who retire with a sick leave balance and immediately begin receiving State pension benefits. Employees who separate from service with sick leave balance must be at least age 55 and a TRS, PERS, SERS plan 2 member with fifteen (15) or more years of service credits or a TRS, SERS plan 3 member with at least ten (10) or more years of service credits. In either case, the maximum cash out calculation is 25% of up 180 days. There is no minimum. 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.
- **Sick Leave Contributions – Annual:** Eligibility for contributions on an annual basis is limited to employees who have a balance of at least 180 days (or more if eligible) of unused sick leave on the day immediately prior to the Plan year. 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. Employees can contribute up to the equivalent of three (3) days of the sick leave cash out value to VEBA.

**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.

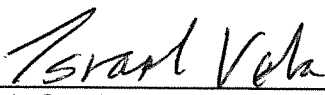
The term of this agreement shall be from January 1, 2023, to December 31, 2023.

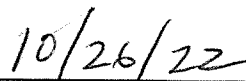
Signed for **Teamsters:**

\_\_\_\_\_  
Chad Baker, Secretary - Treasurer

\_\_\_\_\_  
Date

Signed for **KENT SCHOOL DISTRICT:**

  
\_\_\_\_\_  
Israel Vela, Superintendent

  
\_\_\_\_\_  
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).

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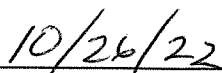
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\_\_\_\_\_  
Chad Baker, Secretary - Treasurer

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Date

Signed for **KENT SCHOOL DISTRICT:**

  
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Israel Vela, Superintendent

  
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Date

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