
VEBA

Summary: VEBA (Voluntary Employees Beneficiary Association) is a type of health plan that reimburses qualified health care cost. Designated groups at Pierce County vote annually to roll over a percentage of sick leave cash-out at retirement to a VEBA account.

Eligibility

- A.** In order to participate in the VEBA benefit, an employee must be eligible for Pierce County sick leave payout benefits and be a member of an IRS sanctioned employee group that has voted, as a group, to participate in VEBA. The Internal Revenue Service (IRS) requires that employees decide in groups, either by bargaining unit or as non-represented employees organized for this purpose, whether to participate. The majority vote of the group is binding on all employees in that group.
- B.** The VEBA benefit program is subject to all rules and regulations of the internal Revenue Service (IRS) and Washington Department of Retirement Systems (DRS).

Voting

- A.** Once an employee group is established, only retirement eligible employees may vote annually. Voting will be administered by the representative for a specific union group, or, in the case of non-represented employees, by the Benefits Administrator. Results are effective the following calendar year. VEBA eligibility is implemented only if (1) a vote by the employee group is taken and it is determined that a majority of those employees wish to participate in such a program and if so (2) at what percentage (50% or 100%) of the employee's sick leave cash-out. Such sick leave accrual payment will be rolled over to a VEBA account effective upon retirement in the applicable calendar year.

Potential Retirement-eligible employees, per Department of Retirement System's (DRS) guidelines, are:

Any member of PERS1

A member of PERS2 or PERS 3 age 55 by the end of the one-year coverage period

A member of PSERS2 age 53 by the end of the one year-coverage period

A member of LEOFF1 or LEOFF 2 age 50 by the end of the one-year coverage period

If a participating group has not conducted a vote and reported results to the Benefits Administrator by September 30th, they have forfeited that year's election for a VEBA benefit which would have been effective the following year.

Enrollment

If VEBA has been approved in an employee voting group, participation is mandatory for all employees retiring within that group in the effective calendar year. Employees will receive up to three (3) notifications to complete their enrollment form: First notification will be upon retirement; second notification will be within approximately 30 days of retirement; and the third notification, by certified letter, will be within approximately 60 days of retirement. Failure to complete the required VEBA enrollment form within 90 days of retirement will result in the forfeiture of the VEBA portion of the sick leave cash-out.

Effective: 01/01/2017
Last Revised: 11/16/2017
References: