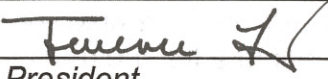


## BBCC ADMINISTRATIVE PROCESS

<b>Title:</b> Voluntary Employees' Beneficiary Association (VEBA) for Qualified BBCC Employees	<b>AP 3025</b>	<b>Implementing Board Policy:</b> 3025
<b>Originating Department:</b> Human Resources	<b>Originated:</b> 1/4/99	<b>Effective Date:</b> 9/1/14
<b>Previous Revisions:</b> 11/13	<b>Approved:</b>  President	

### 1.0 PURPOSE

To establish a process for administering a post-retirement benefits plan for qualified Big Bend Community College (BBCC) employees using funds from buyout of sick leave at retirement, as authorized by RCW 41.04.340. Such plans are called Voluntary Employees' Beneficiary Association (VEBA) and the plan for the Washington Community and Technical Colleges (CTC) is the VEBA CTC Plan.

A VEBA trust account may be used to pay allowable medical, dental, or vision, and other out-of-pocket expenses (deductibles, co-payments, co-insurance, medical and dental insurance premiums, etc.). Because money transferred to a VEBA trust account is tax free, there are strict IRS guidelines on how the college participates in this Plan.

To meet the requirement of the federal tax code, the decision to participate in the VEBA CTC Plan must be made by group rather than an individual employee decision.

### 2.0 ELIGIBILITY

All employees of BBCC who are eligible to accrue sick-leave and fall into one of the following categories are eligible to participate in the VEBA CTC Plan.

- full-time faculty
- part-time faculty
- admin/exempt employees
- classified employees

### 3.0 PROCESS FOR DETERMINING PARTICIPATION

Participation in the VEBA CTC Plan is dependent upon an annual vote by the group. At BBCC, the employee group will consist of full-time faculty, part-time faculty admin/exempt staff, and classified staff who are considering retirement or are eligible to retire.

The Human Resources Office will conduct the vote of eligible employees who have provided written notification of their intent to retire. Written notification (handwritten note or email) indicating the possibility of retirement in the subsequent calendar year must be received by the Human Resources Office no later than November 20<sup>th</sup> of each year.

The vote will take place prior to the end of December and the result will be for the following calendar year. A minimum of five (5) employees is necessary to hold a vote. If there are not five (5) employees who have indicated their intent to retire, all employees in the employee group, age fifty-five (55) or older, will be eligible to vote. In the event of a tie, the default decision shall be participation in the VEBA CTC Plan.

The Human Resources Office will publish the results of the vote to all eligible employees. The results will determine participation for retirements occurring within the employee group for the following calendar year.

#### **4.0 ADMINISTRATION OF THE PLAN**

When the plan is in effect, all eligible retiring employees who have accrued unused compensable sick-leave at retirement are required to participate in the VEBA CTC Plan. In accordance with the Washington State Attendance Incentive Program, as delineated in RCW 41.04.340, contributions to the plan made on behalf of each eligible employee shall be at a rate twenty-five (25) percent and based upon the employee's base salary at the time of retirement.

BBCC has adopted the Post-Separation Health Reimbursement Arrangement (HRA) Plan offered and administered by the Voluntary Employees' Benefit Association Trust for Public Employees in the State of Washington. Eligible retiring employees must sign an enrollment form, which includes a "hold harmless" agreement, prior to leaving employment or the employee forfeits all rights for any compensation for unused compensable sick-leave.

Sick-leave compensation shall be deposited within thirty (30) days of the employee's final pay date after retirement to the following:

VEBA Trust  
c/o VEBA Service Group, a Division of Gallagher Benefit Services, Inc.  
906 W. 2<sup>nd</sup> Avenue, Suite 400  
Spokane, WA 99201

Additional information regarding the VEBA CTC Plan may be obtained from BBCC Human Resources.