

## General VEBA Information

**VEBA (Voluntary Employees' Benefits Association)** is a pre-tax Health Reimbursement Plan (HRA), funded through the buyout of accumulated sick leave.

There are 2 funding options and both need to be voted on annually by each bargaining unit.

These monies do not have to be used within a certain time frame (like the Flex Plan) and are invested according to your initial sign up election form (which can be changed).

Monies can also be used for Dependents, spouse and eligible children, as long as they are listed on your initial sign up form.

The majority of participants save these funds to help offset medical expenses after retirement.

**Sick Leave Contributions – Annual:** Eligibility for contributions on an annual basis is limited to employees who have accumulated 180 days of unused sick leave prior to the September front load. When this eligibility is obtained then the buyout, with the monies going into a VEBA account, is mandatory or the eligible hours will be forfeited. The annual buyout is based on one year of accrual (front load amount) less anything used in that calendar year, with the remainder cashed out at a 1/4 rate. Sick leave donations are not considered time used when calculating this but it does affect your overall balance.

\*Note: Teachers (FWEA) only qualify for the buy out if they have over 180 days and then VEBA is mandatory if voted in.

Office Professionals (FWEA-ESP) qualify for the buyout as cash if they have over 60 days and VEBA, if voted in, is mandatory if over 180 days.

**Sick Leave Contributions – Retirement or Separation from Service:** Eligibility for contributions at retirement (actually drawing a state retirement benefit) or separation from service (age 55 with 10 years *retirement service credit* in Plan 3 or 15 years in Plan 2). If voted in then contributions are mandatory. The maximum cash out is 180 days at a 1 to 4 ratio.

Your sick leave balance on your pay stub is listed in hours; divide by your current fte based hours (or average weekly hours: hours per week divided by 5) to determine the number of days.