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ARTICLE 19: VOLUNTARY EMPLOYEE BENEFICIARY ASSOCIATIONS

~~In accordance with state and federal law, agencies and employees in bargaining units may agree to form Voluntary Employee Beneficiary Associations (tax-free medical spending accounts) funded by the retiree's sick time off cash out. Voluntary Employee Beneficiary Associations of employees covered by this Agreement will be implemented only by written agreement with the Union.~~

Employees who separate from state service due to retirement or death must be compensated for their total unused sick time off accumulation at the rate of twenty five percent (25%). The employer will deposit the equivalent funds into a Health Reimbursement Account (HRA) through Voluntary Employee's Beneficiary Associate (VEBA) which complies with RCW 41.04.340. Compensation will be based on the employee's salary at the time of separation. For the purpose of this article, retirement does not include "vested out-of-service" employees who leave funds on deposit with the Department of Retirement Systems (DRS). Furthermore, no contributions will be made to the DRS, nor any other retirement system, for payments under this article, nor are such payments reported as compensation for retirement purposes.

VEBA will renew automatically through the life of the CBA unless eligible employees call for a re-evaluation vote per Health Care Authority guidelines.

Tentatively Agreed To:

For the Union:	For the Employer:
Signed by: Becky K. Stephens 530E07D4212E4C6...	DocuSigned by: Catherine Scheid 9BED1964C6434D0...
Date: 8/7/2026	Date: 8/7/2026