

VEBA III

The District has adopted the VEBA III Sick Leave Conversion Medical Reimbursement Plan (the "Plan") pursuant to RCW 28A.400.210 and shall make contributions to the Plan on behalf of all employees who are eligible to participate in the Plan by reason of having excess sick leave conversion rights at retirement or on an annual basis.

The only exception to this policy are those employees represented by a bargaining unit which has notified the District that their unit has determined to opt out of the VEBA III plan. It is understood that bargaining units have an annual opportunity to choose to opt out insofar as the District is notified of such a decision by September 1.

Contributions on behalf of each eligible employee shall be based on the conversion value of sick leave days accrued by such employee available for contribution at retirement in accordance with the statute. It is understood that all eligible employees will be required to sign and submit to the District a hold harmless agreement complying with the statute. If an eligible employee fails to sign and submit such agreement to the District, he/she will not be permitted to participate in the Plan at any other time during the term of this Plan, and any and all excess sick leave which in the absence of this Plan would accrue to such employee during the term hereof shall be forfeited together with all cash-conversion rights that pertain to such excess sick leave.

For purposes of retirement contributions to the Plan, all employees covered by this plan who retire during the term hereof shall be eligible, and excess sick leave shall be defined as the unused sick leave days accruing to the credit of such employee during the last year of employment.

The term or duration of this Plan is the annual work year of the employee.