

**VOLUNTARY EMPLOYEES BENEFICIARY ASSOCIATION
MEDICAL EXPENSE PLAN (VEBA-MEP)**

The purpose of this policy is to allow eligible employees the option of using their unused sick leave cash payments at retirement to purchase a post-retirement medical expense reimbursement plan. Under the Voluntary Employee's Beneficiary Association – Medical Expense Plan (VEBA-MEP), retiring employees deposit their sick leave cash-out money in a tax exempt trust account for paying qualified medical expenses, including medical insurance premiums, incurred after retirement.

The Washington School for the Deaf will offer the post retirement medical expense plan option for eligible employees. The voting group is defined as entire agency and those who are age fifty or older are eligible to vote. Rather than require a vote of all eligible employees each year, the VEBA-MEP option is automatically in force for every calendar year. However, if one or more eligible employees request a vote, then a vote among all eligible employees will be conducted by the Human Resources office to determine whether to participate in a VEBA-MEP in the upcoming calendar year. A simple majority will be used to determine the voting results. If the vote ends in a tie, a coin toss will determine the outcome.

Unless the plan is voted out by eligible employees, then all employees that retire in that calendar year MUST contribute their sick leave cash-out to the medical expense plan or forfeit the sick leave cash out. Each employee is required to sign a VEBA-MEP individual membership enrollment form in order to participate in the VEBA-MEP. An eligible employee who does not sign the enrollment form will forfeit all rights to their unused, compensable sick leave cash-out funds.

Adoption Date: 11/13/03