

MEMORANDUM OF UNDERSTANDING  
("MOU" or "AGREEMENT")  
By and Between  
SEATTLE PUBLIC SCHOOLS  
And  
SEATTLE EDUCATION ASSOCIATION  
CERTIFICATED NON-SUPERVISORY EMPLOYEES

---

**RE: VEBA Health Reimbursement Plan**

Seattle Public Schools (hereinafter referred to as the "District") has adopted the VEBA health reimbursement plan (hereinafter referred to as the "Plan") for eligible sick leave contributions at retirement or separation from service. The District also agrees to contribute to the Plan on behalf of all employees in the bargaining unit, Seattle Education Association Certificated Non-Supervisory Employees (hereinafter referred to as the "Union"), who are eligible to participate in the Plan. Each eligible employee must submit a completed and signed Enrollment Form or enroll online to become an eligible participant and become eligible for benefits under the Plan.

**Sick Leave Contributions – Retirement or Separation from Service:** Eligibility for contributions at retirement or separation from service is limited to employees who retire or separate from service with sick leave cash-out rights during the term of this Agreement.

This contribution method allows employers to make lump sum VEBA Plan contributions for eligible employees at retirement/separation from service using funds that would otherwise be paid as taxable wages. To receive such a contribution, an employee must:

- a) Be eligible to receive a retirement sick leave cash out; and
- b) Be a member of an employee group that has adopted a written agreement (or employer policy) authorizing retirement sick leave cash out as a VEBA Plan funding source.

School employees eligible to receive a sick leave cash out include those who either:


- a) Retire (have been granted a TRS, PERS, or SERS retirement allowance); or
- b) Separate from service and who are at least age 55 with at least 15 years of service under TRS 2, PERS 2, or SERS 2, or at least 10 years of service under TRS 3 or SERS 3.

An eligible employee's entire cash out value (25%) of all unused sick leave days, up to a 180-day maximum, is contributed to the VEBA Plan, provided the employee/retiree enrolls online or submits a completed and signed Enrollment form. The Enrollment form contains a statutorily required hold harmless agreement, which eligible employees must sign to receive sick leave cash out contributions to the VEBA Plan.

The District and Union agree that the IRS "excess sick leave forfeiture" ruling is the agreed upon cash out method under this Agreement. In the event an eligible employee fails to sign the required hold harmless agreement, the number of "excess" sick leave days (sick leave days earned during the term of the annual written agreement, typically 12 days) is subtracted from the employee's sick leave balance that is available for cash out. The District will then cash out the employee's remaining sick leave days and provide payment as taxable wages as discussed in the NOTE below.

**NOTE:** For sick leave cash-outs contributed to the VEBA Plan using the "excess sick leave forfeiture" ruling, it is understood that all eligible employees are required to sign and submit to the District a hold harmless agreement complying with RCW 28A.400.210. If an eligible employee fails to sign and submit such agreement to the District, the District will not make sick leave cash-out contribution to the Plan at any time during the term of this Agreement, and any and all excess sick leave which, in the absence of this Agreement, would accrue to such employee during the term hereof shall be forfeited together with all cash rights that would otherwise pertain to such excess sick leave.

The term of this Agreement shall be from January 1, 2024 through December 31, 2024.

  
\_\_\_\_\_  
Yvette De La Cruz, Executive Director  
Seattle Education Association  
Certificated Non-Supervisory Employees

  
\_\_\_\_\_  
Misa Garmoe, Seattle Public Schools

  
\_\_\_\_\_  
Date

11/20/2023

\_\_\_\_\_  
Date

MEMORANDUM OF UNDERSTANDING  
("MOU" or "AGREEMENT")  
By and Between  
SEATTLE PUBLIC SCHOOLS  
And  
SEATTLE EDUCATION ASSOCIATION  
PARAPROFESSIONAL STAFF

---

**RE: VEBA Health Reimbursement Plan**

Seattle Public Schools (hereinafter referred to as the "District") has adopted the VEBA health reimbursement plan (hereinafter referred to as the "Plan") for eligible sick leave contributions at retirement or separation from service. The District also agrees to contribute to the Plan on behalf of all employees in the bargaining unit, Seattle Education Association Paraprofessional Staff (hereinafter referred to as the "Union"), who are eligible to participate in the Plan. Each eligible employee must submit a completed and signed Enrollment Form or enroll online to become an eligible participant and become eligible for benefits under the Plan.

**Sick Leave Contributions – Retirement or Separation from Service:** Eligibility for contributions at retirement or separation from service is limited to employees who retire or separate from service with sick leave cash-out rights during the term of this Agreement.

This contribution method allows employers to make lump sum VEBA Plan contributions for eligible employees at retirement/separation from service using funds that would otherwise be paid as taxable wages. To receive such a contribution, an employee must:

- a) Be eligible to receive a retirement sick leave cash out; and
- b) Be a member of an employee group that has adopted a written agreement (or employer policy) authorizing retirement sick leave cash out as a VEBA Plan funding source.

School employees eligible to receive a sick leave cash out include those who either:

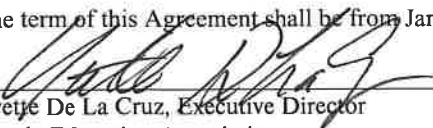
- a) Retire (have been granted a TRS, PERS, or SERS retirement allowance); or
- b) Separate from service and who are at least age 55 with at least 15 years of service under TRS 2, PERS 2, or SERS 2, or at least 10 years of service under TRS 3 or SERS 3.

An eligible employee's entire cash out value (25%) of all unused sick leave days, up to a 180-day maximum, is contributed to the VEBA Plan, provided the employee/retiree enrolls online or submits a completed and signed Enrollment form. The Enrollment form contains a statutorily required hold harmless agreement, which eligible employees must sign to receive sick leave cash out contributions to the VEBA Plan.

The District and Union agree that the IRS "excess sick leave forfeiture" ruling is the agreed upon cash out method under this Agreement. In the event an eligible employee fails to sign the required hold harmless agreement, the number of "excess" sick leave days (sick leave days earned during the term of the annual written agreement, typically 12 days) is subtracted from the employee's sick leave balance that is available for cash out. The District will then cash out the employee's remaining sick leave days and provide payment as taxable wages as discussed in the NOTE below.

**NOTE:** For sick leave cash-outs contributed to the VEBA Plan using the "excess sick leave forfeiture" ruling, it is understood that all eligible employees are required to sign and submit to the District a hold harmless agreement complying with RCW 28A.400.210. If an eligible employee fails to sign and submit such agreement to the District, the District will not make sick leave cash-out contribution to the Plan at any time during the term of this Agreement, and any and all excess sick leave which, in the absence of this Agreement, would accrue to such employee during the term hereof shall be forfeited together with all cash rights that would otherwise pertain to such excess sick leave.

The term of this Agreement shall be from January 1, 2024 through December 31, 2024.

  
Yvette De La Cruz, Executive Director  
Seattle Education Association,  
Paraprofessional Staff

Date

11/20/2023

  
Misa Garmoe, Seattle Public Schools

Date

11/20/2023

MEMORANDUM OF UNDERSTANDING  
("MOU" or "AGREEMENT")  
By and Between  
SEATTLE PUBLIC SCHOOLS  
And  
SEATTLE EDUCATION ASSOCIATION  
SEATTLE ASSOCIATION OF EDUCATIONAL OFFICE PROFESSIONALS

---

**RE: VEBA Health Reimbursement Plan**

Seattle Public Schools (hereinafter referred to as the "District") has adopted the VEBA health reimbursement plan (hereinafter referred to as the "Plan") for eligible sick leave contributions at retirement or separation from service. The District also agrees to contribute to the Plan on behalf of all employees in the bargaining unit, Seattle Education Association (hereinafter referred to as the "Union"), who are eligible to participate in the Plan. Each eligible employee must submit a completed and signed Enrollment Form or enroll online to become an eligible participant and become eligible for benefits under the Plan.

**Sick Leave Contributions – Retirement or Separation from Service:** Eligibility for contributions at retirement or separation from service is limited to employees who retire or separate from service with sick leave cash-out rights during the term of this Agreement.

This contribution method allows employers to make lump sum VEBA Plan contributions for eligible employees at retirement/separation from service using funds that would otherwise be paid as taxable wages. To receive such a contribution, an employee must:

- a) Be eligible to receive a retirement sick leave cash out; and
- b) Be a member of an employee group that has adopted a written agreement (or employer policy) authorizing retirement sick leave cash out as a VEBA Plan funding source.

School employees eligible to receive a sick leave cash out include those who either:

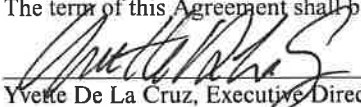
- a) Retire (have been granted a TRS, PERS, or SERS retirement allowance); or
- b) Separate from service and who are at least age 55 with at least 15 years of service under TRS 2, PERS 2, or SERS 2, or at least 10 years of service under TRS 3 or SERS 3.

An eligible employee's entire cash out value (25%) of all unused sick leave days, up to a 180-day maximum, is contributed to the VEBA Plan, provided the employee/retiree enrolls online or submits a completed and signed Enrollment form. The Enrollment form contains a statutorily required hold harmless agreement, which eligible employees must sign to receive sick leave cash out contributions to the VEBA Plan.

The District and Union agree that the IRS "excess sick leave forfeiture" ruling is the agreed upon cash out method under this Agreement. In the event an eligible employee fails to sign the required hold harmless agreement, the number of "excess" sick leave days (sick leave days earned during the term of the annual written agreement, typically 12 days) is subtracted from the employee's sick leave balance that is available for cash out. The District will then cash out the employee's remaining sick leave days and provide payment as taxable wages as discussed in the NOTE below.

**NOTE:** For sick leave cash-outs contributed to the VEBA Plan using the "excess sick leave forfeiture" ruling, it is understood that all eligible employees are required to sign and submit to the District a hold harmless agreement complying with RCW 28A.400.210. If an eligible employee fails to sign and submit such agreement to the District, the District will not make sick leave cash-out contribution to the Plan at any time during the term of this Agreement, and any and all excess sick leave which, in the absence of this Agreement, would accrue to such employee during the term hereof shall be forfeited together with all cash rights that would otherwise pertain to such excess sick leave.

The term of this Agreement shall be from January 1, 2024 through December 31, 2024.

  
\_\_\_\_\_  
Yvette De La Cruz, Executive Director  
Seattle Education Association,  
Seattle Association of Educational Office  
Professionals

Date

11/20/2023

  
\_\_\_\_\_  
Misa Garmoe, Seattle Public Schools

Date

11/20/2023