



Northshore  
School District

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## Human Resources

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To: All Collective Bargaining Groups, Associations, and Unions  
From: Toni Damron, Benefits and Retirement Analyst  
Date: June 12, 2025  
SUBJECT: VEBA Program for 2025/2026

This is a reminder that the VEBA Plan is available if your employee group elects it. The group representative must notify the Benefits Department of the results of the vote and return the signed VEBA MOU to the Benefits Department within 30 days of the new contract year. A VEBA MOU runs one contract year and must be voted on each year. If your group has not returned the MOU within 30 days of the contract, a no vote is assumed. The VEBA Plan allows eligible Northshore School District employees to put contributions into a tax-free health reimbursement account used to pay health care costs such as medical, dental or vision premiums, as well as, other non-covered expenses such as deductibles, co-pays and co-insurance. Expenses can be for you, your spouse, or qualifying dependents. Interest earned on the account is also tax-free.

The outcome of the VEBA vote is mandated for all employees in your group during the course of a contract year and who meet the eligibility requirements. The IRS does not permit individual choice and the decision of the group affects everyone; therefore, we recommend your voting includes communicating the following information:

1. To be eligible for the VEBA Annual Sick Leave, an employee must have accumulated a sick leave balance of at least 180 days on the day before the bargaining group's new contract year, before any front-loaded days. Sick leave days accrued that remained unused during the calendar year would be deposited into a VEBA account at a ratio of 1:4. For example if an employee had 8 days out of 12 that were not used during the calendar year, they would have 8 days available to put into VEBA at a ratio of 1:4 (or 2 days).
2. The VEBA Sick Leave at Retirement or Separation from Service would apply to employees in the group who are eligible for cash out during the term of the group's contract and who:
  - 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 last 15 years of service under TRS 2, PERS 2, or SERS 2, or
  - c. Separate from service and who are at least age 55 with at least 10 years of service under TRS 3 or SERS 3
3. VEBA Vacation at Retirement or Separation from Service (as described in Section 2 above) would apply to employees in the group who have vacation conversion rights during the course of the VEBA contract. Contributions can be up to a maximum of 30 days. If the group has elected VEBA and the employee does not sign the enrollment form, the days cannot be cashed out in lieu of depositing it into a VEBA account.
4. All eligible employees will be required to sign the VEBA enrollment form, which includes a hold harmless agreement. If an employee fails to sign the form, he/she will not be permitted to participate in the Plan at any time during the term of the agreement, and any and all excess leave, whether used or unused, would be forfeited together with all cash rights that pertain to the leave. The forfeiture may be less for employees who retire mid-year or earns less than 12 sick leave days per contract year. Forfeitures are deducted from the sick leave balance.

**VEBA MEMORANDUM OF UNDERSTANDING**  
**Between**  
**Northshore School District And**  
***Northshore Education Office Professionals Association (NEOPA)***

The NORTSHORE SCHOOL DISTRICT has adopted the health reimbursement arrangement (HRA) plans offered and administered by the Voluntary Employees' Benefit Association Trust for Public Employees in the State of Washington (collectively the "Plans"): the **Standard HRA Plan**, which shall be integrated with the Employer's or another qualified group health plan and to which the Employer shall remit contributions only on behalf of eligible employees who are enrolled in or covered by such qualified group health plan and any other contributions that may be permitted under applicable law from time to time; and the **Post-separation HRA Plan** to which the Employer may remit contributions on behalf of eligible employees, including eligible employees who are not enrolled in or covered by the Employer's or another qualified group health plan, and which shall provide benefits only after a participant separates from service or retires. Employer agrees to contribute to the Plans on behalf of all employees in the above-named bargaining group defined as eligible to participate in the Plans. Each eligible employee must submit a completed and signed Enrollment Form to become an eligible participant and become eligible for benefits under the Plans.

**Contributions on behalf of each eligible employee shall be based on the following selected funding sources/formulas:**

**Sick Leave Contributions - Annual:** Eligibility for contributions on an annual basis is limited to employees who have accumulated 180 days of unused sick leave. To be eligible during the term of this agreement, an employee must have earned at least 180 days of unused sick leave as of the effective date, not including any front loaded days.

**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, and excess sick leave shall be defined as the sick leave days accruing to the credit of such employee during the term of this agreement.

**Note:** All sick leave cash out contributions on behalf of each eligible employee shall be based on the cash-out value of leave days or hours accrued by such employee available for contribution in accordance with State statutes and District policy or procedure. For sick leave cash-outs, it is understood that all eligible employees will be required to sign and submit to the District a Hold Harmless Agreement complying with RCW 28A.400.210. If an employee eligible for such sick leave contribution fails to sign and submit such agreement to the District, the District will not make sick leave cash-out contributions 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 pertain to such excess sick leave.

**Vacation 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 vacation leave cash-out rights during the term of this agreement. Vacation cash out is limited to a maximum of 30 days.

The term of this agreement shall be from ***September 1, 2025 to August 31, 2026.***

*Christy Skurski*  
Christy Skurski (Jul 8, 2025 19:20 PDT)  
**Christy Skurski, Co-President**  
Northshore Education Office Professionals Association

07/08/2025  
Date

*Lyn Sherry*  
Lyn Sherry (Jul 10, 2025 10:15 PDT)  
**Lyn Sherry, UniServ Director**  
Northshore Education Office Professionals Association

07/10/2025  
Date

*JK*  
Jerred Kelly (Jul 14, 2025 09:43 PDT)  
**Jerred Kelly, Director of Human Resources**  
Northshore School District #417

07/14/2025  
Date