# 1500.350 SICK LEAVE BUY-OUT (ATTENDANCE INCENTIVE AND VEBA PROGRAMS) PROCEDURE

Employees of Wenatchee Valley College shall be eligible to receive compensation for accrued sick leave through the Washington state attendance incentive program. In addition, all non-temporary employees of the college who accrue sick leave are covered by a medical expense reimbursement program VEBA (Voluntary Employees' Beneficiary Association).

## A. ATTENDANCE INCENTIVE PROGRAM

In January of each year, and at no other time, an employee whose year-end compensable sick leave balance exceeds 480 hours may choose to convert sick leave hours earned in the previous calendar year, minus those used during the year, to monetary compensation.

### 1. No sick leave hours may be converted which would reduce the calendar year-end balance below 480 hours.

### 2. Monetary compensation for converted hours shall be paid at the rate of 25 percent and shall be based upon the employee’s current salary.

### 3. All converted hours will be deducted from the employee’s compensable sick leave balance.

## B. RETIREMENT MEDICAL EXPENSE REIMBURSEMENT PROGRAM (VEBA)

Employees who separate from state service due to retirement shall be compensated for their unused compensable sick leave accumulation at the rate of 25 percent. Compensation shall be based upon the employee’s salary at the time of separation.

Retirement means termination of employment by an eligible employee due to age and/or years of service criteria as determined by the applicable retirement plan, or retirement due to a disability (as determined by the college and/or applicable retirement plan after consideration of a comprehensive medical evaluation).

If there is a medical expense reimbursement plan approved by the group to which the employee is a member, classified (represented and non-represented), faculty (full-time and part-time) and exempt), the eligible employee’s compensation will be deposited by the college directly to VEBA. Eligible medical expenses, such as the retiree’s documented medical insurance premiums and medical, dental, and vision care expenses not covered by insurance (including co-payments and deductibles), may be reimbursed from a retiree’s account until the account is exhausted. The plan’s third-party administrator will be responsible for accounting for each retiree’s account, providing periodic reports of account activity to the retiree, applying investment returns on each account, and applying administrative fees to each account.

The employee must have a minimum of 300 hours (75 hours converted at a rate of 25 percent), compensable sick leave to be eligible for the compensation to be forwarded to VEBA. Anything below 300 hours will be paid to the employee as taxable wages.

If there is no approved medical expense reimbursement plan or separation is due to the employee’s death, compensation will be paid to the eligible employee or the estates of deceased eligible employees.

## C. VOLUNTARY SEPARATION, RETIREMENT AND DOWNSHIFTING INCENTIVE PROGRAM

If there is a legislative-authorized program for voluntary separation, retirement and/or downshifting, employees that take part in such an incentive program, may have those funds designated in the program forwarded to VEBA. The percentage of funds forwarded to VEBA will be determined each plan year, will be the same for each participant and stay in effect until the next plan year.

## D. PLAN YEAR

The plan year for the medical expense reimbursement program (B above) is July 1 through June 30. The VEBA plan for union-represented groups will remain in effect unless suspended by written notification from a union representative from the respective unions to the executive director of human resources or designee. For non-represented employee groups, the VEBA plan will automatically remain in effect each plan year unless a vote is called for by a retiring member of the respective group. This call for a vote must be in written form by a retiring member to the executive director of human resources or designee by June 1 of the current plan year for the next plan year. If the plan year is suspended for any group, the plan will be automatically reinstated the following plan year unless again suspended by the respective procedure outlined earlier in this paragraph.

The plan year for the voluntary separation, retirement and downshifting incentive program (C above) is July 1 through June 30. The VEBA plan will remain in effect each plan year unless a vote is called for by a person separating under this program. The call for a vote and reinstatement will follow the procedure outlined in the previous paragraph.

For B and C above, eligible employees must sign an enrollment form, which includes a "hold harmless" agreement, prior to leaving employment or the employee forfeits all rights for any compensation for unused compensable sick leave.

VEBA information and forms is available online at [VEBA.org](https://www.veba.org/), the human resources web page or by contacting human resources.

Compensation for unused sick leave shall not be used in computing the retirement allowance; therefore, no contributions are to be made to the retirement system for such payments nor shall such payments be reported as compensation.

An employee who separates from Wenatchee Valley College employment for any reason other than retirement or death shall not be compensated for accrued sick leave.

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Procedure contact: Human Resources

Related policies and procedures

500.350 Sick Leave Buy-Out Policy