

MEMORANDUM OF UNDERSTANDING

THE PURPOSE OF THIS MEMORANDUM OF UNDERSTANDING IS TO SET FORTH THE FOLLOWING AGREEMENT(S) BETWEEN PUBLIC SCHOOL EMPLOYEES OF EVERETT EAEOP, AN AFFILIATE OF PUBLIC SCHOOL EMPLOYEES OF WASHINGTON/SEIU LOCAL 1948, AND THE EVERETT SCHOOL DISTRICT #2. THIS AGREEMENT IS ENTERED INTO PURSUANT TO ARTICLE XVII, SECTION 17.3 OF THE CURRENT COLLECTIVE BARGAINING AGREEMENT.

The Everett School District #2 (Employer) has adopted the health reimbursement arrangement (HRA) plans offered and administered by the Voluntary Employee Benefit Association Trust for Public Employees of 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 Public School Employees EAEOP employees (PSE-OP Group) defined as eligible to participate in the Plans. The Plans must receive an enrollment file for each eligible employee to become a participant and become eligible for benefits under the Plan.

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

YES- Sick Leave Contributions - Annual¹: Eligibility for contributions on an annual basis is limited to employees who have accumulated 180 days (or more if eligible¹) of unused sick leave. To be eligible during the term of this agreement an employee must have earned at least 180 days of earned and unused sick leave as of the effective date, not including any front-loaded days. Contributions are based on the number of sick leave days earned during the previous calendar year, less any days used during that calendar year.

YES- Sick Leave Contributions – Retirement or Separation from Service²: 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 terms of this agreement. To be eligible at separation from service, you must be at least age 55 at the time of separation and you must have at least 15 years of service credit under the Retirement System Plan 2 or 10 years of service credit under the Retirement Plan 3. Plan 1 members can only cash out sick leave at retirement, not separation.

YES- Vacation Leave Contributions on Retirement from Employment: Eligibility for contributions at retirement separation of service is limited to employees who retire with vacation cash-out rights during the terms of this agreement. Employer contributions shall include the cash-out value³ of unused leave days (vacation) accrued and available for cash-out upon retirement or separation per Employer policy and the EAEOP Collective Bargaining Agreement Section 11.3. Vacation Cashouts are excluded from reportable compensation under Retirement Plans 2 & 3. Vacation cashouts are considered reportable compensation under Retirement Plan 1.

¹ Employees whose employment contract exceeds 180 days may accrue sick leave up to their annual contract amount. Such employee groups may choose a higher eligibility threshold for VEBA PLAN annual contribution eligibility.

² School districts may offer a sick leave cash out upon separation or retirement in accordance with RCW 28A.400.210.

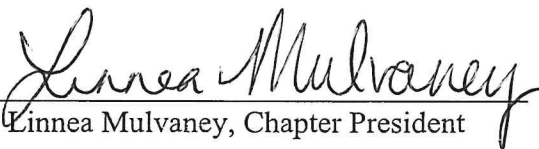
³ Pursuant to applicable written agreement, Employer Policy or procedure so long as the cash-out value is not subject to individual choice.

Note: All 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 Statute 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.

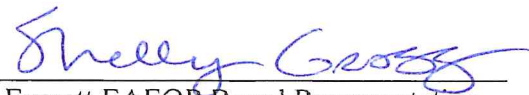
This Memorandum of Understanding shall become effective September 1, 2025 and shall remain in effect until August 31, 2026 and shall be attached to the current Collective Bargaining Agreement.

PUBLIC SCHOOL EMPLOYEES
OF WASHINGTON/SEIU 1948

EVERETT OP CHAPTER #1102

BY: 
Linnea Mulvaney, Chapter President

DATE: 4/24/2025

BY: 
Everett EAEOP Board Representative

DATE: 6/24/2025

EVERETT SCHOOL DISTRICT #2

BY: 
Dr. Ian B. Saltzman, Superintendent

DATE: 4/24/2025