

RESOLUTION NO. 854

VEBA III MEDICAL REIMBURSEMENT BENEFITS PLAN

A **RESOLUTION** of the Board of Directors of Everett School District No. 2, Snohomish County, Washington, to provide eligible employees a VEBA III Medical Reimbursement Benefits Plan for vacation and sick leave cash-outs, and

WHEREAS, the eligible employees of Everett School District No. 2 receive sick leave benefits pursuant to the provisions of RCW 28A.400.300; and

WHEREAS, the Board of Directors has adopted per Policy No. 5340 an attendance incentive program pursuant to RCW 28A.400.210; and

WHEREAS, a school district board of directors is authorized to establish a sick leave conversion VEBA III Medical Reimbursement Benefits Plan for eligible employees pursuant to RCW 28A.400.210;

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of Everett School District No. 2 hereby adopts the VEBA III Medical Reimbursement Benefits Plan (hereinafter the "Plan") pursuant to RCW 28A.400.210 for the benefit of employees of each recognized represented or unrepresented group which elects such benefit annually. The District agrees to make contributions to the Plan on behalf of all employees in an electing group who are eligible to participate in the Plan. All eligible employees must sign and submit to the District a hold harmless agreement complying with the statute. Eligible employees who fail to sign and submit such agreement to the District will not be permitted to participate in the Plan at any time during the term of the group's participation in this Plan.

Retirement or Separation Sick Leave Conversion: For purposes of retirement contributions to the Plan, all employees covered by this Plan who retire during the term hereof shall be eligible, and excess sick leave shall be defined as the unused sick leave days accruing to the credit of such employee from the date of an agreement or decision adopting this Plan.

Annual Sick Leave Conversion: Eligibility for participating on an annual basis is limited to employees who have accumulated 180 days of unused sick leave. To be eligible during the term of the Plan, an employee must have earned at least 180 days of unused sick leave as of the effective date of a bargaining agreement or decision adopting this Plan and must maintain at least 180 days during Plan participation.

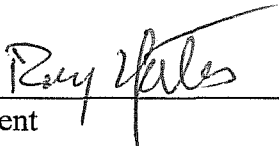
Vacation Leave Cash-Out upon Retirement: Eligibility for contributions at retirement is limited to employees who retire with vacation leave cash-out rights during the terms of this agreement.

In order to administer the Plan, the District will deposit all leave cash-outs to the credit of each participating employee in the VEBA Trust for Public Employees in the State of Washington.

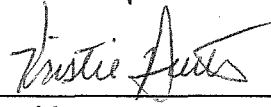
Additionally, said Plan Document is on file in the central office of the District.

The Plan shall be effective from July 1, 2006 through June 30, 2007 and replaces Resolution No. 834 which expires June 30, 2006.


ADOPTED BY the Board of Directors of Everett School District No. 2 at its regular meeting held on June 20, 2006.



President



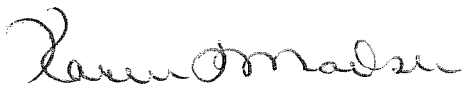
Vice President



Board Member



Board Member



Board Member

Attest:



Secretary of the Board