

## **Everett School Employee Benefit Trust Overview**

The Everett School Employee Benefit Trust ("Trust") was formed on July 1, 1985, by the Everett School District ("District") and the Everett Education Association ("Association"), and was later approved by the Internal Revenue Service as a tax-exempt trust (a voluntary employees beneficiary association "VEBA") in May 1988 to provide for the payment of certain health, accident, disability, death and other benefits as described in Section 501(c)(9) of the Internal Revenue Code ("Code"). The District, the Association, pursuant to terms in collective bargaining agreements, and District employees make contributions to the Trust, and the Trust either pays benefits directly out of its assets, such as medical, or purchases insurance to provide insured benefits to District employees. The Trust provides benefits for all District employees.

Since its inception, the Trust has been governed by a board of six trustees; three representatives from the Association and three from the District; all of whom serve in a voluntary capacity. The Trust and the six trustees are governed by a trust agreement, the Code, Washington law and a set of policies adopted by the trustees. The Trust is annually audited by a certified public accountant and bi-annually audited by the Washington State Office of Financial Management.

The Trust provides five medical and prescription drug benefit options, three of which are self-funded by the Trust, and two fully-insured HMOs. The Trust also provides two fully-insured dental plans, and basic and supplemental life insurance, basic accidental death and dismemberment insurance, voluntary short-term and long-term disability insurance, voluntary long-term care and an employee assistance program.

Over the last several years, the Trust has recognized the important role it plays in plan design and offerings to contain health care expenses. As a result, the Trust developed a more comprehensive approach to employee health with an emphasis on prevention and wellness, which it began implementing in May 2008. The Trust's comprehensive wellness program design is based on employee health condition data and national best practices established by the Wellness Council of America. The Wellness program includes offerings such as: Weight Watchers at Work, health and nutrition seminars, fitness activities at the work site, and fitness/health team competitions. Furthermore, the Trust provides additional health related benefits designed to contain costs and support healthier employees: such as its tobacco cessation program, weight management program, physician house call service to reduce the number of emergency room visits and most recently, free flu shots at district sites for all employees.

For 25 years, the Trust has provided a comprehensive, cost-effective and flexible benefit program to District employees. The size of board of trustees and the Trust itself has allowed it to manage employee health and welfare benefits in a cost effective manner while, at the same time, meeting District employee needs and interests. The Trust has been flexible and responsive in plan design and has adopted innovative programs that engenders employee support and buy in. Finally, because of the board of trustee's composition and decisions that have been made over the years, the Trust is supported and trusted by District employees and their families.