

## **CALIFORNIA GOVERNMENT VEBA (or CALGOVEBA)**

### **CALGOVEBA Trust Participation for Unrepresented Department Heads, Management, and Confidential Staff Only**

1. Participation in Trust. All unrepresented employees in Department Head, Management, and Confidential positions (hereafter, Covered Group) agree to participation in the California Government VEBA Trust (hereafter, CALGOVEBA or “the Trust”).
2. Limitations on Employer Responsibility. Employer’s responsibilities and liabilities with respect to the Trust are limited to making contributions and providing required contributions and employee data as detailed herein. Employer is not responsible for the liabilities or debts of the Trust and has no responsibility or control over benefits provided through the Trust.
3. Purpose of Trust. The purpose of this Trust shall be to provide for medical expense reimbursement benefits. The Trust shall be and remain separate and apart from any Employer health insurance funding program, unless changed by mutual agreement of the parties to the agreement. The monies contributed to the Trust shall only be used for reimbursement of medical expenses under the terms of the Trust’s medical expense reimbursement plan (the “Plan”), and the reasonable costs of administering the Trust. Employer and Covered Group acknowledge that upon termination of participation in the Trust, federal law prohibits the Trust from refunding any contributions to the Employer or the Covered Group, and any remaining monies designated for health benefits of employees will be paid as benefits or for administrative costs.
4. Eligibility of Employees for Trust Participation. Integration Rule Under Federal Law. In order to satisfy the integration requirements of the federal Affordable Care Act (ACA), eligibility for contributions to the Trust is limited to employees: (1) who are actually enrolled in a group health plan that satisfies the minimum value requirements of the ACA; and (2) to whom the Employer has offered a group health plan providing minimum value coverage. Employer agrees to send information as reasonably requested by the Trust to certify that this eligibility requirement is met and to notify the Trust if the Employer’s group health plan ceases to provide minimum value coverage under the ACA.
5. Mandatory Contributions to the Trust
  - 1) Employee Contributions.

- a. Mandatory transfer. Effective June 13, 2025, Employer will transfer a mandatory pre-tax employee contribution from wages per pay period as follows:
    1. Employees hired between January 1, 2008 and December 31, 2015 will contribute \$75.00 per pay period, and receive Terminal Leave Deferral of 50% Vacation and 50% Sick Leave (based on sick leave eligibility per the Pay and Benefits Plan).
    2. Employees hired between January 1, 2016 and December 31, 2021 will contribute \$25.00 per pay period, with no Terminal Leave Deferral.
    3. Employees hired after January 1, 2022 will contribute \$125.00 per pay period, with no Terminal Leave Deferral.
  - b. As each Covered Employee will contribute the same predetermined dollar amount, no employee election forms designating the amount will be needed, allowed, or requested.
  - c. The Covered Employee shall have the option during the term of this Agreement to direct Employer to change the amount of the mandatory employee leave contribution in Section 5a.
- 2) Due Date for Payments to Trust: The Employer shall transfer the employer and employee contributions to the trust (including employee contributions withheld from wages), on behalf of each Covered Employee as detailed above, no later than the 15<sup>th</sup> day following the pay period on which the contribution is based.
6. Leave Transfers to Trust. Employer and the Covered Group agree that Employer will not make any mandatory transfers, on a pre-tax basis, to the Trust on behalf of every Covered Employee.
- 1) The Covered Group shall have the option during the term of this Agreement to direct Employer to prospectively increase the percent of the mandatory employee leave contribution.
7. Reporting rules.
- 1) Submission of Covered Employee Data to Trust: With each payment the Employer shall also submit Covered Employee data to identify the amounts paid on behalf of each Covered Employee, and any other information necessary for the administration of the Trust. To facilitate the dissemination of important notices, and Trust payment of benefits, to employees/retirees, Employer shall also supply Covered Employee names, social security or

other identification numbers, address, email address, and phone number, pursuant to the rules and procedures set by the Trustees or the Trust Office.

- 2) Access to Employer Records. The Employer agrees to allow an audit of its records by the Covered Group to the extent necessary to review compliance with the obligations in this Agreement to contribute to the Trust. The Trust shall not be responsible to collect late contributions and will credit the employees only with the amounts received by the Trust.
- 3) Late Payments. The Employer understands that late payments will accrue interest, which at the time of this agreement was at the rate of 6%, and that costs incurred by the Covered Group in connection with collecting late payments may be assessed against the Employer.

8. Governing Documents.

- 1) Trust Agreement. The Trustees administer the CALGOVEBA Trust pursuant to the Trust Agreement "Trust Agreement of The California Government Voluntary Employees' Beneficiary Association Trust, effective September 1, 2021. Employer hereby acknowledges receipt of the Trust Agreement governing the Trust.
  - a. Prior Trust Agreement or Plan Documents. Any prior Trust Agreements or Plan documents adopted by the Employer in relation to the CALGOVEBA Trust are hereby null and void.