

Montana VEBA HRA - VOTING Guidelines/best practices.

Employers are encouraged to have completed a management-level presentation of VEBA plan and discussion of potential group arrangements before presenting to groups.

1. Employer then discusses Group set up options and makes decision. Possible groups are:
 - Whole Employer (city, county, K-12 district, etc.) – Any separation of service whether retirement, separation or termination participate in the VEBA.
 - Whole Employer - Those *eligible* (doesn't mean they HAVE to retire, just are ELIGIBLE to retire) to retire within the next 12 months. Only those that retire are in voting group and receive a VEBA account.
 - Recognized business unit. Anyone that separates is in the VEBA. Level, Bureau, Division, etc. They may combine to form group. Everyone will be a VEBA member at separation OR retirement. This could be the Accounting Department, the City Water workers, non-union, etc.
 - Union Groups – either individual union groups within a given employer or a separation of Union and Non-union entities.
 - Active Employees with ≥ 240 hrs of Sick Leave choose annual election of hours to the VEBA with certain employer limits in place. (i.e. – no more than 100 hours/year over 240 may be cashed out.)
 - Active employees with other contribution methods.
2. If Employer chooses to vote as retirement eligible, they must request a retirement eligible list from MPERA. (see MPERA request letter under forms.)
3. Employer should notify Union representatives of voting decisions. Prior to initiating the election, employer may approach the union with **two questions** (*and request the answers in writing*): **(1)** does the union desire an election among members of the bargaining unit? and; **(2)** if "yes," does the union desire to have the bargaining unit employees included in the same VEBA as the non-unionized employees, or a separate VEBA consisting only of the unionized employees?
4. Once group definition is completed and approved by the Dept. of Administration, Health Care & Benefits (HCBD) – State of Montana, the group education sessions will be conducted.
5. Employer then schedules vote, prepares ballot & cover memo.
6. Email may be sent with the Cover Memo and Ballot attached (using Employer Letterhead for Cover Memo) and members are asked to print the ballot and return either in person, fax or through deadhead mail. Votes may be printed from an electronic return of the completed form. Voting eligibles do not *HAVE* to include SSN.
7. Ballots returned by given date, counted and summarized.
8. Place an easily accessible place/box for returned ballots. Some employers have provided two boxes so that the ballot may be cut apart with the name on one half and the vote on the other. Your intention is to be able to assure that if you have "x" number of ballots that you also have the same number of names. Some folks prefer to separate them, and you can provide that option.
9. Counted results published for the voting group to view. You may do by website if you have one, email or memo.

10. Provide summary of vote process to DOA – Employee Benefits (mdenning@mt.gov) which includes;
- Copy of ballot & cover memo used.
 - Voting result numbers summarized (#Y & #N) at vote close.
 - Policy/Resolution

The Employer keeps the returned ballots.

11. Approved Adoption Agreement and Policy memo, Union Agreement or Memo of Understanding forwarded (signed) to DOA-HCBD.
12. Group is effective on date stated in Ballot and Cover Memo and runs for a period of at least one year, depending on voting guide stated in ballot and cover memo.
13. Annual voting. It is suggested that 30 days prior to the anniversary or the group vote, it is best practice to notify the group of their annual voting option. The group membership must have the minimum of 5 participants. Annually, the group may;
- Continue the group as voted the prior year without requesting to do so.
 - Vote to discontinue the VEBA group. Vote results must be a majority. This option allows a group to form again anytime during the year as long as there are a minimum of 5 members.
 - Vote to change the contribution source.

If the group has less than 5, their options are:

- Continue the group as voted the prior year, or
- Vote to discontinue the VEBA group.

The agency may include in their ballot, cover memo and policy whether an annual vote will be conducted each year, or the group must request a vote with 25% of its' membership requesting such. Once a vote is requested, the agency may then decide to provide a "straw pole" to decide the voting strategy of group change, contribution change or both.

Once this is known, repeat steps 5 – 12.