

HOW TO SETUP AND ADMINISTER THE MONTANA VEBA HRA (a step-by-step outline)

1. Obtain Plan Information

The human resource or benefits department, or other employees interested in the Montana VEBA HRA, may obtain general Plan information from the Department of Administration – Health Care & Benefits Bureau (DOA-HCBD) at (406) 444-2044 or on-line at www.montanaveba.org.

2. Develop implementation strategy

Prior to moving forward, the employer should consider their goals in implementing the program including:

- How will the employee groups be structured?
 - Use collective bargaining groups
 - All non-represented employees should be one group
 - Groups may be defined by geographic location
 - Avoid discrimination in favor of highly compensated employees
 - Do not form groups of employees based on willingness to participate (i.e. in favor employees versus not in favor employees)
- Any separation eligibility criteria or only at retirement?
- What will the contribution source consist of? Sick-leave only? Annual Leave?
- How will information be communicated to employees?
- How will the votes of whether or not to participate in the Plan be conducted?

3. Begin Montana VEBA HRA communication process with employees and employee group leadership

- Gather Plan information such as an Employer Packet and an Employee Question & Answer brochure (which includes Enrollment Form)
- Meet with the State of Montana VEBA HRA representative to discuss the implementation and communication process
- Schedule a meeting with bargaining leadership, employee benefits committee and/or interested employees
- Discuss potential group structure and the voting process

4. Conduct Education Sessions for interested employees.

- Contact DOA-HCBD to discuss and plan education sessions.
- Develop communication strategy best suited for interested employees.

5. Facilitate vote on the program

The legislature intends that employers assist with the facilitation of a grassroots effort to promote communication and enrollment in the Montana VEBA HRA. The Department of Administration (DOA) will make materials and resources available to assist employers in this effort.

Employers should make the Plan available to all employee groups (even if only one group initially is interested), assist with the facilitation of group formation, and provide for a vote on whether or not employee groups will participate in the Plan.

Most commonly, the employer will set up employee group meetings to present Plan information, develop a ballot for voting on the Plan, and define the voting procedures.

Generally, a simple majority vote, counting returned ballots is used for adoption of the program. A tie breaker should be adopted prior to taking the vote.

If you are working with a bargaining group, the bargaining group will usually make the decision to participate based on their own voting processes. In this case, the employer may choose to assist

with distribution and collection of the ballots. Alternatively, the bargaining group could facilitate their own vote and then notify the employer of the outcome.

After the vote, changes to a bargaining agreement may be necessary, or a memorandum of understanding confirming Plan participation may be used.

6. [Adopt Employer Montana VEBA HRA policy/resolution and/or amend bargaining agreement](#)

After a group votes to participate in the Montana VEBA HRA, the employer needs to initiate steps to formalize adoption of the program.

A Montana VEBA HRA Employer Adoption Agreement will need to be completed and sent to the Department of Administration as outlined in step number 7 below. In addition, the employer will normally adopt a resolution or a policy outlining the contribution methods, the groups which are participating, the voting procedures for adoption and renewal of the program and for the addition of new employee groups.

When implementing the Plan for a bargaining group, the employer may initiate steps to amend the bargaining agreement, or execute a memorandum of understanding.

Samples of Montana VEBA HRA resolutions and bargaining language will be made available by the Department of Administration.

7. [Complete Montana VEBA HRA Adoption Agreement](#)

The Department of Administration will provide an Employer Montana VEBA HRA Employer Adoption Agreement for you to join the Montana VEBA HRA. The document will need to be completed and submitted to the Department of Administration for approval to formally confirm participation in the Plan.

The Montana VEBA HRA Employer Adoption Agreement will request the name of the primary employer Montana VEBA HRA contact and require the employer to follow the terms of the Montana VEBA HRA Employer Adoption Agreement and the Plan and Trust documents.

8. [Send Montana VEBA HRA Employer Adoption Agreement to Department of Administration](#)

After the Montana VEBA HRA Employer Adoption Agreement is complete, it should be sent to the Department of Administration – HCBD for review and approval, along with any copies of employer documentation regarding the Plan, such as a resolution, policy, ordinance, bargaining agreement or memorandum of understanding.

If the Montana VEBA HRA Employer Adoption Agreement is properly completed and signed, DOA-HCBD will sign the form and return a copy to the employer.

Upon acceptance by DOA-HCBD, the employer will then be authorized to enroll employees and make contributions to the Plan.

9. [Complete employee enrollment](#)

At this time, the employer should facilitate and complete the enrollment of eligible employees in the Plan. If the group determines through the voting process that membership into the VEBA will be established at the time of separation, then enrollment will occur when the employee separates from service. They should complete enrollment forms at that time.

The employer should contact DOA-HCBD staff to assist with the enrollment process.

All eligible employees need to be educated on the Plan provisions. Typically, enrollments will be conducted at the time an employee is eligible for a contribution.

If an employee is eligible for a sick leave cash-out (or other) contribution at the time of separation from service, then the employer should implement procedures to ensure that Enrollment Forms are

distributed, signed and collected prior to an employee separating from service. This can be conducted as part of the exit interview process.

At the time the employee separates from service, the funds will then be sent with the Enrollment Forms to the Montana VEBA HRA Third-party Administrator (TPA).

10. [Send Enrollment Forms with initial contributions to TPA](#)

At the time of the first enrollment and initial contribution to the Plan, the employer will want to send the Enrollment Forms along with their initial contributions to the TPA. Electronic funds transmittal is available.

11. [Keep primary contact updated with TPA & the Dept of Administration](#)

The employer will need to keep their primary Montana VEBA HRA contact updated with the TPA and with the Department of Administration to ensure that proper communication regarding Plan updates, changes, etc. can be effectively and quickly communicated.