

City Counter Proposal  
December 12, 2024  
Mediation Proposal

City TA:

AMK  
12/12/24

Union TA:

12/12/24

**Placeholder New Article VEBA**

The City agrees to create a Labor Management workgroup to explore a Voluntary Employee Beneficiary Association (VEBA) for employees covered by the DCTU AFSCME 189.

Effective the first pay period after January 1, 2026, ~~the~~ City will shall allow DCTU AFSCME 189 members to participate in a Plan(s) which is defined to include a Voluntary Employee Beneficiary Association (VEBA), a Section 457 plan or any other form of non-qualified deferred compensation program.

AFSCME Local 189 will establish a retirement medical trust (the AFSCME Local 189 VEBA) for the purpose of providing for the payment of life, sick, accident or other benefits to its members. The AFSCME Local 189 VEBA will receive tax-exempt status from the internal revenue Service under Section 501(c)(9) of the Internal Revenue code. The City will withhold a percentage of base pay from each individual AFSCME member's gross wages per pay period to be determined by AFSCME and submitted to the City by July 1, 2025. This amount shall be contributed on the member's behalf to the AFSCME Local 189 VEBA each pay period or monthly, the interval to be determined by the City. The withholding will be made on a pre-tax basis.

If at any time during the operation of the Plan or Plans it is determined that (1) deposits may not be made on a pre-tax basis or (2) that plan earnings are not tax-exempt or (3) payments from the Plan or Plans are not tax-exempt or if participation in the Plan or Plans is in violation of any federal or state law or regulation, then in that event the parties agree to negotiate a substitute provision in order to carry out the original intention of the Agreement.

The Union will be responsible for the administration and management of the VEBA. The Union will not change the percentage of withholding for the duration of this agreement.

The City shall withhold X amount of each individual DCTU AFSCME 189 member's gross wages per pay period. This amount shall be contributed on the member's behalf to the VEBA each pay period or monthly, the interval to be determined by the City. The contribution withholding shall be made on a pre-tax basis.

Participation is mandatory for all bargaining unit members.