

1 **SHB 1214** - H COMM AMD **Adopted 3-18-91**

2 By Committee on Appropriations

3 On page 2, after line 20, strike all material through line 6 on  
4 page 3 and insert:

5 "(4) Pursuant to this subsection, in lieu of cash remuneration  
6 the state may, with equivalent funds, provide eligible employees  
7 with a benefit plan providing for reimbursement of medical  
8 expenses. The committee for deferred compensation shall develop  
9 any benefit plan established under this subsection, but may offer  
10 and administer the plan only if (a) each eligible employee has the  
11 option of whether to receive cash remuneration or to have his or  
12 her employer transfer equivalent funds to the plan; and (b) the  
13 committee has received an opinion from the United States internal  
14 revenue service stating that participating employees, prior to the  
15 time of receiving reimbursement for expenses, will incur no United  
16 States income tax liability on the amount of the equivalent funds  
17 transferred to the plan."

EFFECT: Authorizes a state VEBA, but only if the plan permits each employee to opt whether to receive cash or have the employer place the funds into a VEBA, and only if the Committee for Deferred Compensation receives an opinion from the IRS that employees would not incur income tax liability with respect to the transfer of their funds contributed to the VEBA.