

## Voluntary Employees' Beneficiary Associations (VEBAs)

Over the decades, many employers have used voluntary employees' beneficiary associations (VEBAs) to fund health and other benefits for their active employees and retirees. Over time, VEBAs have also been regularly adopted as funding vehicles for settlements of retiree health liabilities and for funding ongoing benefits under collective bargaining plans. With a team of attorneys with VEBA experience developed over several decades of practice, we regularly advise clients on the development, federal income tax, fiduciary (both Employee Retirement Income Security Act (ERISA) and non-ERISA), benefit plans, and wind-down issues relating to the creation and maintenance of VEBAs. Examples of our experience involving VEBAs includes the following:

- Development of health reimbursement arrangements for active and retired employees funded through contributions to a VEBA.
- Implementation of VEBA settlement agreements involving the creation of welfare plans, obtaining Internal Revenue Service (IRS) recognition of tax-exempt status, the negotiation of vendor agreements, creation of administrative structures, and advising boards of trustees established by these settlement on their fiduciary duties and responsibilities.
- Advising on and obtaining IRS rulings on mergers and transfers of assets between VEBAs.
- Advising clients on the use of demutualization proceeds.