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Health Care Marketplace

Federal Judge Approves VEBA Established Under Contract Between UAW, Ford

U.S. District Judge Robert Cleland in Detroit on Friday approved a voluntary employees' beneficiary association plan established under a contract between the [United Auto Workers](#) and [Ford Motor](#), [Reuters](#) reports. The VEBA, scheduled to begin in 2010, will assume responsibility for health benefits for about 200,000 Ford retirees represented by the union and their dependents, company officials said.

According to Ford officials, the VEBA will involve the transfer of about \$23 billion in retiree health benefit liabilities for the company ([Reuters](#), 8/29). Ford officials also said that the VEBA will increase cash flow for the company by \$1 billion annually.

Federal judges in July approved similar [VEBAs](#) established under contracts between UAW and [General Motors](#) and the [Chrysler Group](#) ([AP/Chicago Tribune](#), 8/29).